

South African Strikers Close Mines

JOHANNESBURG — The black mineworkers' union said Monday that at least 340,000 miners had joined a strike that could cripple the South African gold and coal industries, the country's main source of export earnings.

The National Union of Mineworkers called the strike, the largest legal walkout ever in South Africa, to back demands for wage increases and improved benefits.

The walkout began late Sunday and closed 44 of the 46 targeted gold and coal mines, the union said.

The Chamber of Mines, which represents the major mining companies, disputed the union's estimates, saying that 220,000 to 230,000 workers were on strike. It said that 13 of the country's 55 coal mines and 16 of the 44 gold mines

had been "significantly affected" by the strike and that two gold mines were "partially affected."

At least seven miners and two mine security officers were reported injured in violence related to the strike. The union, the nation's largest, said that 11 members of union officials were arrested in four separate incidents.

"The members are prepared to mount a bitter and protracted struggle for a living wage," the union's general secretary, Cyril Ramaphosa, said at a news conference.

Mr. Ramaphosa said it was up to the Chamber of Mines to make the next move. "The ball is in their court," he said.

A union spokesman, Marcel Golding, said earlier that 60,000 of the strikers were not union members, but had joined the walkout to know what percentage of gold and coal production was represented by the struck mines.

The union claims 261,901 members who have paid dues and a total of 370,000 signed up out of a national total of about 600,000 black miners. It says members voted overwhelmingly to strike 28 gold and 18 coal mines, most of which are in the eastern Transvaal Province and the central Orange Free State. The union also called for strikes at gold and coal mines where it is not recognized officially.

The Chamber of Mines says the union has only 170,000 members. Roughly 80 percent of South Africa's exports are derived from mining. Gold alone provides about 75 percent of mineral exports and more than half the country's foreign currency earnings.

Mr. Ramaphosa said he did not

know what percentage of gold and coal production was represented by the struck mines.

(In New York, gold futures contracts for December delivery rose \$5.40 an ounce to \$479.20 by mid-afternoon. In London, gold bullion closed at \$459.25 an ounce, down from the Friday close of \$464. Dealers said the fear of disruption of supply by the strike had tended to push prices up, but that this had been counteracted by Lebanon's proposal to sell 20 percent of its gold reserves. Page 13.)

Anglo American Corp., which produced 39 percent of the nation's total gold output of 638.2 tons in 1986, said Monday that all its mines were affected by the strike. It issued a statement alleging "incidents of violence and intimidation" See STRIKE, Page 6



Striking gold miners at Randfontein awaiting transportation back to their homes Monday.

Tanker Hits Mine Near Gulf

A Panamanian Ship Damaged After Loading

MANAMA, Bahrain — A Panamanian-registered tanker hit a mine just outside the Gulf, shipping sources said Monday. At the same time a convoy of three re-flagged Kuwaiti tankers and their U.S. Navy escorts was delayed on its route to Kuwait by a mine found in the Gulf, the sources said.

Lloyds of London said the 126,000-ton Texaco Caribbean was hit after it took on a cargo of crude oil at Iran's makeshift floating terminal of Larak in the Strait of Hormuz, and headed south for Rotterdam.

The mining occurred about 8 miles (13 kilometers) northeast of

Fujairah and about 30 miles south of the entrance to the strait, which is the gateway to the Gulf.

The area is near Khor Fakkan, a major anchorage for tankers moving to and from oil terminals in the Gulf, with dozens of ships at anchor most of the time. That anchorage is also the departure point for the Kuwaiti tankers being escorted into the Gulf.

The second convoy — including three tankers, the Sea Isle City, the Ocean City and the Gas King — anchored Sunday night off Saudi Arabia's main gulf oil terminal at Ras Tanura to give the navy time to check for more mines, the sources said.

The stop was in keeping with the navy's decision to guide the tankers through the most hazardous parts of the 550-mile voyage during daylight, when helicopters and ships can scout ahead for mines or other signs of trouble.

The shipping sources said the mine was found at the Khafji offshore oil field, midway between Kuwait and the spot north of Farsi Island where the supertanker Bridgeton hit a mine and was seriously damaged July 24.

In Washington, Pentagon sources said that the convoy was back under way. "They're taking it slow and easy, but they're moving," an official said.

All three ships in the second convoy are flying the U.S. flag as part of President Ronald Reagan's plan to protect Kuwaiti shipping from threatened retaliatory attacks by Iran. Kuwait has supported Iraq against Iran in the Gulf war.

The Texaco Caribbean, meanwhile, was limping into port with a 12-foot (3.5-meter) hole in the hull. There were no reports of injuries among the Italian crew.

The commander of the supertanker, Captain Luigi Paroli, relayed a distress signal.

"We've been hit," he said. "There is widespread pollution. We are trying to stop it."

According to available records, the Texaco Caribbean is owned by Lexington Tankships Ltd., a subsidiary of Texaco Panama Inc., and is on charter to the American oil company.

The shipping sources speculated that an Iranian commando unit might have laid the mine at Khor Fakkan and that it could have drifted to the Fujairah area.

In Washington, the chairman of the House Armed Services Committee said the United States should consider laying mines in the Gulf shipping channels used by Iranian oil tankers.

Les Aspin, a Democrat from Wisconsin, said at a news conference: "The message ought to go to Iran that people who live in glass houses shouldn't throw stones."

He also suggested that the United States back a crash program of building overland pipelines from oil-producing regions in the area so that the Gulf would not be such a critical avenue.

(UPI, AP)

Sandinists Hold Key to Accord

Are They Serious About Change, or Just Buying Time?

By James LeMay
New York Times Service

SAN SALVADOR — The peace plan signed by five Central American leaders fails to address some of the region's most difficult problems, but it still seems to offer a political opening that could take on a momentum of its own.

Costa Rican and Nicaraguan officials expressed strong optimism that they had signed an accord that offers a way out of the decade of bloodshed and political strife that have made Central America a zone of war, superpower maneuvering and political instability.

But Salvadoran and Honduran officials, as well as diplomats from outside the region, say they have strong reservations whether the Central American leaders can achieve the peace plan's central ob-

jective: creating the political conditions to encourage a negotiated end to guerrilla wars and political discord in Central America.

The fighting by the contra rebels, who are backed by the United States, against the Sandinist government of Nicaragua, which is supported by the Soviet Union, is the most prominent conflict.

Among the others are leftist insurgencies in El Salvador and Guatemala and accusations by the various nations over who is offering refuge to rebels.

The treaty is regional in scope, but there is no doubt that its main provisions will affect Nicaragua more than any of the other nations that signed the accord.

The plan appears to require the Sandinists to restore press freedom, to permit full political organization and demonstrations, and to end the state-of-siege law.

But the new treaty also seems to be the most favorable accord Nicaragua could have hoped for, according to several Central American officials and Western diplomats. They said it was far less demanding of the Sandinists than the plan put forward last week by President Ronald Reagan and the speaker of the House of Representatives, Jim Wright of Texas.

In essence, the treaty guarantees political survival to the Sandinists

Salvadoran rebels reject the peace accord. Page 3.

Serious Problems Could Cripple the B-1 Bomber for Years

By Molly Moore
Washington Post Service

DYESS AIR FORCE BASE, Texas — In a poorly lit room in the B-1 bomber training school here, young U.S. Air Force officers hunched over a panel of radar screens and electronic gadgetry, learning to manipulate the defenses designed to protect planes and crews during bombing missions into the heart of the Soviet Union.

It could be years, however, before the officers use the avionic equipment outside the simulated cockpit of the schoolroom. In real life, the equipment does not work, and the problems are so serious that the air force does not know when they will be fixed.

Six years after President Ronald Reagan declared the B-1 bomber to be the centerpiece of his plan for improving U.S. strategic forces, the dismal failure of the plane's electronic brains has crippled its ability to carry out its most important missions, government officials and congressional leaders say.

Dozens of other technical problems, from faulty flight controls to malfunctioning computerized maintenance systems, have delayed crew training and sharply restricted the number of bombers that can be placed on alert, according to the General Accounting Office, or GAO, the fiscal investigative arm of Congress.

Air force officials say it will be 1990 before 30 percent of the new planes can be kept on alert; that is the standard percentage for quick

response. Now, of 54 bombers in the force, one plane is on alert.

The bomber's ultimate mission is to be able to dart through the Soviet Union, flying low and fast enough to avoid radar detection, and destroy the most sensitive and strategic targets. It is built to be so automated that it dodges mountains and enemy attacks before the pilot in the tiny cockpit realizes he is in danger.

Because of the technical problems, none of the plane's crews has been trained to use its planned full capability, the GAO says.

A GAO report said air force officials told investigators that, in a

national emergency, "all B-1s would be available within days."

For emergencies that could require a few minutes or hours of reaction time, air force officials said, many of the older B-52s on alert would be available. Because of the large staffing and mechanical resources required to keep B-1s on alert, officials said, putting more of them on that status now would hamper efforts to improve crew training and correct the technical deficiencies.

Costly additions to the U.S. triad of strategic forces — the B-1 bomber, the ground-based MX missile and the Trident missile-carrying submarine — are critical to pro-

tecting the nation and deterring war, the administration asserts. But the B-1 deficiencies, coupled with recent disclosures of MX missile guidance problems and defects in air-launched cruise missiles, raise serious questions about how well-protected the nation is as the Reagan era nears its close.

"The Reagan Pentagon is not doing well with its strategic initiative," said Representative Les Aspin, Democrat of Wisconsin and chairman of the House Armed Services Committee. He is an outspoken critic of the president's strategic forces.

"The triad is not as strong as it's supposed to be," he said. "We're not getting our money's worth."

The air force takes issue with Mr. Aspin's contention.

"The B-1B is the best warplane in the world today on anybody's side," General John T. Chain Jr., commander of the Strategic Air Command, told a House committee in March.

Frank L. Conahan, director of the GAO's National Security and International Affairs Division, which has conducted several investigations of the B-1's problems, said, "It might be the best plane ever made — except it can't do its mission." Each B-1 costs \$280 million.

In a Pentagon arsenal filled with political weapons, the B-1 is perhaps the most political. It was conceived in a Republican administration, killed by a Democratic White House after four planes had been built, then resurrected by Mr. Reagan.

Congress approved resumption of the program under the strict condition that the 100-bomber fleet cost no more than \$20.5 billion in 1982 dollars, or \$28.3 billion today. It mandated that the first bomber be operational by 1986 and that all be operational by April 1988.

The air force, hungry for a new bomber program, insisted that it

See B-1, Page 6

Russia's Class-Conscious Fur Traders Watch Wall St.



Fur traders in white smocks examining wares at the Soviet auction center in Leningrad. The pelt market has been bullish.

By Bill Keller
New York Times Service

LENINGRAD — When the Dow Jones industrial average edged above 2,500 points in July, there was at least one corner of the Communist world that shared in Wall Street's sense of celebration.

That corner is a dusty, neo-classical warehouse on Moskovsky Prospekt, home of the Leningrad International Fur Auction, where the Soviet Union takes its cut when the rich get richer. The more exhilarating the rise of stocks on the New York exchanges, the more new Wall Street millionaires and their spouses will be cloaked next winter in Siberian sable.

That is good news for Mikhail S. Gorbachev's balance of trade.

Nearly 300 buyers from 23 countries, mostly capitalist, showed up in July to compete in the auction, a thrice-yearly commercial ritual. The buyers are driven by a concept of class consciousness altogether different from what Marx and Engels had in mind.

The buyers snapped up 14,000 bundles of fur: mink, white-bellied lynx, blue fox, wolf, wolverine, raccoon, squirrel, Persian lamb, pony and rabbit, even quills of tiny hamsters.

But the prize that makes Lenin-

See FURS, Page 2

Swedish, Swiss Firms To Form Industry Giant

By Juris Kaza
Special to the Herald Tribune

STOCKHOLM — Sweden's ASEA AB and Switzerland's BBC Brown, Boveri & Co. said Monday they would merge their assets into what would be the world's largest electrical engineering group.

The new operating company, to be called ASEA BROWN BOVERI, would have sales of around \$15 billion annually and employ 160,000 people. It would be a giant in the fields of power generation, power transmission, transportation and industrial process control and electronics.

Its products will range from nuclear power plants to rail transit systems, industrial robots and microprocessors for industrial automation.

No exchange of stock is involved in the merger, the companies said. The company will be formed by a combination of nearly all the assets of the Swedish and Swiss groups in return for equal voting rights.

"ASEA and Brown, Boveri are the principal actors in the same market and this almost amounts to a noncompetition pact," said Jenny Tora of London stockbrokers James Capel & Co.

ASEA's president and chief executive officer, Percy Barnevik, will

be named president and chief operating officer of the new company, and his deputy will be Thomas Gasser, president of Brown, Boveri.

The eight-person board of the new company will consist of four representatives from each parent. All shares in the new company will be held by the Swiss and Swedish parents and won't trade separately.

In Switzerland, Brown, Boveri will raise 800 million Swiss francs (\$509 million) in a new share issue as part of the merger arrangement. ASEA's Mr. Barnevik, however, declined to place a cash value on the merger, noting that the market value of all ASEA shares was around 20 billion kronor (\$3.04 billion), and all Brown, Boveri shares, around the equivalent of 10 billion kronor.

ASEA said it expects the merger to be completed by Jan. 1, 1988, if national authorities and the shareholders of both companies approve.

Both parent companies will retain their identities and their shares will continue to trade on national and foreign exchanges.

Announcing the merger in Stockholm, ASEA's Mr. Barnevik said the joint operation would com-

See ASEA, Page 11

Business Travelers Add Baby Sitters to List of Necessities

By Wanda Warner
Washington Post Service

WASHINGTON — It's yet another business trip for Hannah Burt. Her bag is packed, the hotel suite booked and the car waiting to whisk her to the airport.

Wait, did she forget to pack her fuzzy blanket? No, it's tucked near the top of her carry-on bag. She grabs daddy's hand and the two head out the door.

Hannah Burt is 4 years old. Her father, Dan Burt, a Washington lawyer who travels frequently, wouldn't leave home without her, not even on his business trips.

It is anyone's guess how many parents regularly take children with them on business. Representatives from hotels and baby-sitting services in the United States say more and more business travelers are bringing their children with them, largely because more mothers are entering the work force and

because two-career couples in pursuit of professional goals often wait until their 30s before starting a family.

For the first year of her life, Hannah stayed at home with Mom, Marce Webster, when her father's law practice sent him out of Washington. But litigation kept him from his family so often that when Hannah turned 2, he decided to try taking her with him.

His wife, then busy working on her doctorate as well as running a business, did not object. The first trip turned out so well, he took her on others.

"This is my only child," Mr. Burt said. "I'm over 40, and I miss her intensely."

Marcia Desmond, 38, knows what he is talking about. As a first-time mother she is also reluctant to leave her toddler behind when her job in Denver with the American Hospital Association demands that she go out of town.

So she regularly packs up the stroller, diapers, baby food and storybooks and heads with 2-year-old Meghan to Stapleton International Airport.

Meghan, no stranger to airline departure lounges, has waited in lines for seat assignments, baggage pick-up and taxis since she was 8 months old. She even belongs to United Airlines' frequent-flyer program.

"When meetings are over with at the end of the day," Ms. Desmond said, "it's nice to go back to the hotel room and have her there."

Not only does Ms. Desmond enjoy taking Meghan on many of her trips, but it gives her husband, Earl Tawney, a break from juggling his work and child care every time his wife is away.

Nancy Richards, the Washington franchise owner of Sitters Unlimited, a nationwide baby-sitting service, said that a few years ago business travelers seldom called her office in search of child care.

These days, she said, the service gets a half dozen requests a week from parents staying in Washington-area hotels who need sitters while they attend business functions.

In addition, she said, her company is hired by convention organizers about once a month to tend children of convention-goers.

"Four years ago," she said, "we handled about one convention every six months."

Mr. Burt and Ms. Desmond know they are in a minority with their tote-a-kid business traveling.

Mr. Burt said many business executives are "astonished" to learn that he has brought his daughter along, and sometimes they let him know they disapprove of the practice. Usually the opposition quickly fades, he said, but if it does not, he does not let it bother him.

Ms. Desmond said: "Ten years ago I would have

See KIDS, Page 6

France Rejects Request From Chad for Support In Battle Against Libya

By Julian Nundy
International Herald Tribune

PARIS — France rejected on Monday a request by Chad to expand its military role in its former African colony by protecting government troops who routed Libyan forces from the town of Aozou over the weekend.

As Libyan jets carried out a second day of retaliatory bombings, President François Mitterrand said in a statement that French air and ground units in the country would not advance northward to support the Chadian offensive.

Chad's recapture of Aozou on Saturday ended a 14-year occupation by the troops of Libya's leader, Colonel Muammar Gadhafi. The town is in the strategic Aozou strip, a 42,000-square-mile (110,000-square-kilometer) band on the two countries' frontier. Chad said Monday that more than 400 Libyans died in the weekend fighting.

The Chadian ambassador to France, Ahmed Allamni, speaking on French television Sunday, asked France for air cover for the Chadian troops. France has Jaguar and Mirage strike aircraft, as well as 1,200 troops, stationed in southern Chad.

In a clear rebuke to President Hissène Habré of Chad, Mr. Mitterrand said France had always favored international arbitration of the dispute over control of the border region, which is claimed by both Chad and Libya.

He said that Mr. Habré, who visited Paris last month, was aware of the French view.

"France has supported and continues to support Chad's struggle to recover its independence and its unity," Mr. Mitterrand said. But "as far as the future of Aozou is concerned, France has always recommended the use of international arbitration, and President Hissène Habré was recently reminded of this position."

The action he has undertaken in this zone therefore involves only him and the forces of his country. The attack on Aozou marked the resumption of an eight-month Chadian offensive aimed at ousting Libyan troops from the northern region of the central African country.

A series of victories in January and March gave Chad control of most of Libya's former strongholds in the country, but Chadian troops stopped short of the disputed border area.

A military communiqué issued in the Chadian capital of Ndjamena said that government forces had killed 437 Libyan soldiers in the Aozou battle and captured 61. It said Chad had lost 17 men with 54 wounded.

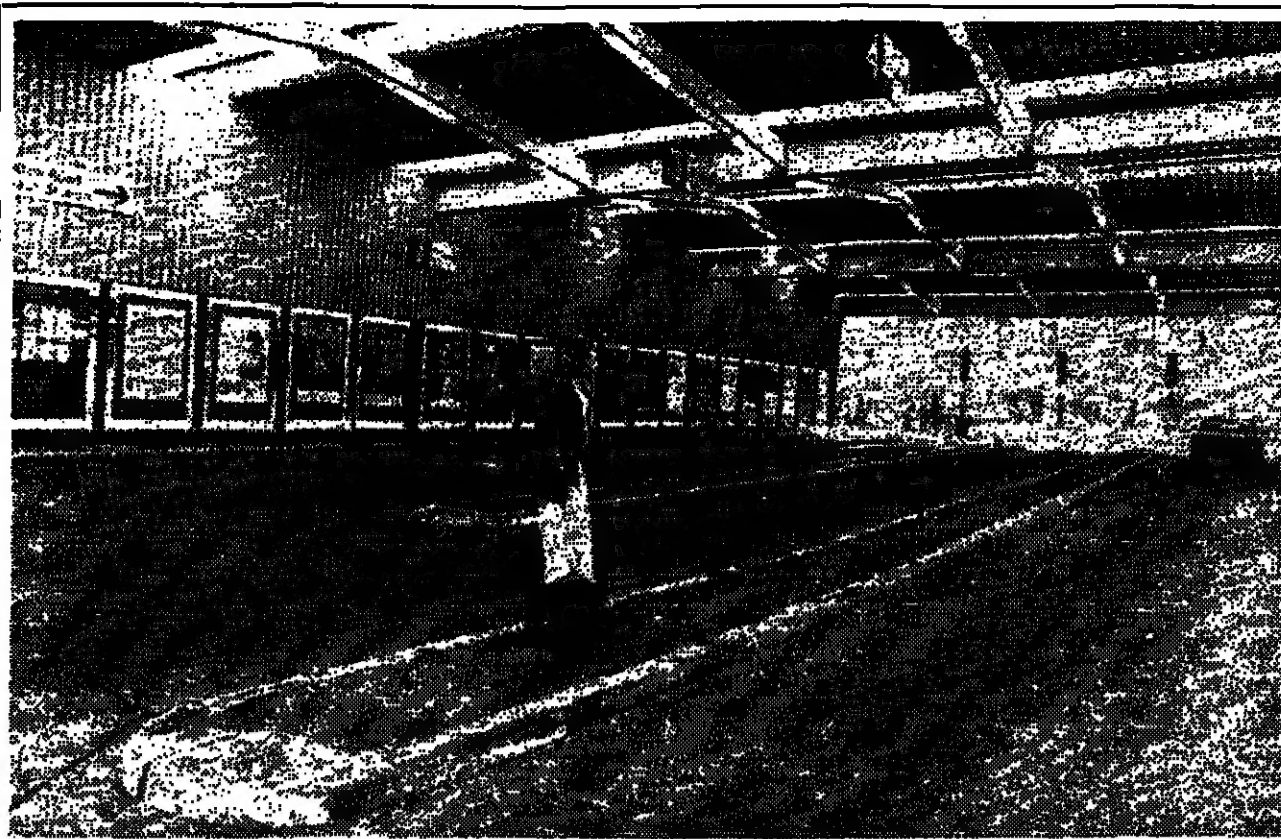
France has provided extensive logistical support to Chad, but its forces have rarely been in operation north of the 16th parallel, above which most of the fighting with Libya took place.

The current French force was sent to Chad in February of last year to deter Libyan or rebel drives toward Ndjamena. French troops and planes had been sent there for shorter periods on earlier occasions to back Chadian efforts to reunite the country.

Libya's claim to Aozou dates from 1955, when Pierre Laval, the French foreign minister, who was to become prime minister of the collaborationist Vichy government in World War II, and Mussolini signed an accord passing the area to Libya. But the agreement was never ratified.

Chad, on the other hand, has support from the Organization of African Unity, which recognizes all frontiers that existed at the time of decolonization as valid. Chad became independent from France in 1960.

The area has been described as containing abundant supplies of minerals, particularly uranium. But specialists on the area have discounted this description, saying that the importance of the strip is mainly strategic.



PASSENGER OUT OF TOUCH — This would-be passenger waiting for a bus Monday at Victoria Station in London evidently hadn't heard the news: Bus drivers and conductors were on a 24-hour strike to protest a government decision to open routes to private operators. A spokesman for London Buses, a division of the state-owned London Regional Transport, said the company hoped to take the matter to a mediator later this week.

Grim Diagnosis for Hungary's Economy

By Henry Kamm
New York Times Service

BUDAPEST — Rezső Nyers, a founding father of Hungary's drive for economic change, says the current national crisis is similar to what happened when conservative pressures temporarily halted the previous such program in the early 1970s.

In a full-page interview published recently in *Nepszombat*, the Communist Party newspaper, Mr. Nyers advanced a strong case for modernization of the Hungarian economy. At the same time, he argued that the structures of Comecon, the Soviet Bloc economic organization, are obsolete.

The prominence given his views seems to confirm that some elements in the party are striving to translate into action recent policy declarations and economic actions asserting a commitment to far-reaching change in the stagnating economy. The interview was also published as Hungarian consumers began to feel the effects of an initial round of austerity measures imposed by the government.

Mr. Nyers was a key victim of a move by the Communist Party in the early 1970s to assert orthodoxy over the spirit of change. He was demoted from his executive posts, including that of party secretary in charge of economic affairs. And he was removed from the ruling Politburo. But he remains a member of the Central Committee and serves as chief adviser to the Institute of Economics of the Academy of Sciences.

"The present circumstances remind us of the 1970s," Mr. Nyers said in the interview. "External and internal imbalances, over-regulated state machinery, financial survival of lame-duck companies and an

aversion by efficient enterprises to taking new risks."

Economic changes, begun amid controversy in 1968, consisted of reducing central planning of production, enhancing the decision-making powers of enterprise managers and creating an important sphere of individual activity free of state central planning.

These policies were brought to halt in the early 1970s, but late in the decade they began to reappear amid growing symptoms of poor economic health cited by Mr. Nyers.

Now, the declining world economy, as well as what some Hungarians consider an insufficient dose of change, have combined to plunge the country into grave difficulties.

The foreign debt stands at about \$13 billion. Inflation has reached double-digit levels. And growth has

slowed significantly. Real wages are shrinking, and the cost of living has been mounting.

On the subject of Comecon, Mr. Nyers was unapologetic in his criticism. "Export structures have become obsolete, and the exchange of goods is not developed," he said.

Unlike the European Community, which functions as a trading bloc in which member countries and companies compete, Comecon is an umbrella organization that assigns specific economic tasks to each member state so that their economies complement one another.

For the Hungarian economy, Mr. Nyers said, the immediate goals should be to achieve a balance in the international-payments position, a halt in the rise of the national debt and a gradual reduction of the budget deficit.

On the subject of Comecon, Mr. Nyers was unapologetic in his criticism. "Export structures have become obsolete, and the exchange of goods is not developed," he said.

Unlike the European Community, which functions as a trading bloc in which member countries and companies compete, Comecon is an umbrella organization that assigns specific economic tasks to each member state so that their economies complement one another.

For the Hungarian economy, Mr. Nyers said, the immediate goals should be to achieve a balance in the international-payments position, a halt in the rise of the national debt and a gradual reduction of the budget deficit.

On the subject of Comecon, Mr. Nyers was unapologetic in his criticism. "Export structures have become obsolete, and the exchange of goods is not developed," he said.

Unlike the European Community, which functions as a trading bloc in which member countries and companies compete, Comecon is an umbrella organization that assigns specific economic tasks to each member state so that their economies complement one another.

Publisher Under Fire In Moscow

The Associated Press

MOSCOW — A former political prisoner who has started publishing *Glasnost*, a magazine about human rights and social problems, said Monday that the official Soviet media had begun to attack him personally to discredit the journal.

But Sergei I. Grigoryants said he was going ahead anyway with plans to publish in two days the second number of *Glasnost*, which features an article on the KGB, the Soviet secret police, and another on problems of Jewish emigration.

Mr. Grigoryants, 46, spoke to about 30 foreign journalists in his Moscow apartment.

He said his magazine, named after the policy of permitting greater openness launched by the Soviet party leader, Mikhail S. Gorbachev, was the first privately controlled periodical to be published openly in the Soviet Union. He has applied for state approval for *Glasnost* but has not yet received it, he said.

In the past, dissident magazines known as *samizdat* were published secretly and distributed hand-to-hand.

Mr. Grigoryants himself was jailed for three and a half years for publishing V, an underground bulletin on human rights.

Mr. Grigoryants called the news conference to respond to allegations about his past that were published three days ago by *Vechernyaya Moskva*, Moscow's evening newspaper.

The newspaper, in an article headlined "Babblers on the Roadside," said Mr. Grigoryants should not be referred to as a political prisoner because he was guilty of "profiteering and illicit dealings" in works of art from 1970 to 1974.

It is illegal in the Soviet Union to buy something and resell it at a profit. The newspaper claimed Mr. Grigoryants made a profit of 12,275 rubles (about \$19,500) from his illegal sales.

But Mr. Grigoryants claimed the artworks were family heirlooms and said that the allegations against him were manufactured by the KGB. "They are trying to discredit me to discredit the magazine," he said.

Soviet Family in Paris

A Soviet family that had sought permission to emigrate for nine years arrived Monday in Paris by train from Moscow, *Agence France-Presse* said.

Serafim Evsyukov, 52, a former navigator with the Soviet airline Aeroflot, his wife and two children, both dissidents, were greeted by representatives of humanitarian groups and the French government.

All the officials would be transferred to the Iranian Consulate in Hamburg, he added.

The United States, he said, was "trying to settle its conflict with Iran on West German soil."

FURS: Russia's Class-Conscious Traders Are Keeping an Eye on Wall Street

(Continued from Page 1)

grad unique on the fur auction circuit is sable, a solitary, cat-sized carnivore found almost exclusively in the snowy forests of eastern Russia, and sold only at the auctions run in Leningrad by the state fur agency, Soyuzshushina.

Stories of plots to kidnap Russian sable breeding stock are part of the lore of the fur trade. Such a scheme was central to "Gorky Park," Martin Cruz Smith's 1981 best seller. But so far, the sable monopoly remains intact.

The Soviet fur industry auctions off fewer than 200,000 sable pelts each year, and the resulting coats, each taking about 90 pelts, are very much garments for American capitalists.

"Europeans, they don't want it so much," said a New York furrier who specializes in sable, Donald Springer. "It's the American woman who really wants the coat, who can afford to buy the coat, especially with the stock market as it is today."

In July, Mr. Springer and his father, Leonard, paid a record \$1,700 a skin for a bundle of ranch sable. They stitched the pelts into a coat that went to "a person very high up in the business world" for \$350,000, Donald Springer said.

American purchases in the Soviet Union are limited by a McCarty-Smith law, passed with the support of American fur ranchers, that prohibits the importing of mink, fox, ermine, raccoon and several other furs from Communist countries.

These pelts go instead to European buyers and to the increasingly aggressive bidders from Japan and Hong Kong, although some of this Russian fur also enters the American market legally as finished garments.

Despite the high ceilings of the Stalinist palace built in 1939 to house the auctions, the Wedgwood blue walls of the fur storage rooms and the chandelier in the bidding amphitheater, the ambience of the Leningrad auction is less Sotheby Parke Bernet than taxidermy warehouse.

In six huge inspection rooms, the buyers, wearing white laboratory coats, select pelts strung together by the snout from rack upon rack of bundles. They spread them on work tables under fluorescent lights, fluffing the fur to check for uniform length, assessing the blue or red tone of the underfur and noting the silky glint of silver hairs that give extra character.

They scribble estimated values in their catalogues, and everyone

WORLD BRIEFS

Soviet Aide Bars Arms Concessions

WASHINGTON (UPI) — A Soviet arms official, Viktor P. Karpov, said Monday that Moscow would make no further concessions for a said nuclear arms agreement, insisting that an accord must include U.S. German missiles whose warheads are controlled by the United States.

In a CBS television interview from Moscow, Mr. Karpov said the 72 shorter-range Pershing-1A missiles remain the sticking point in an agreement.

"We're negotiating not only missiles, we're negotiating whole systems — missiles and warheads. And missiles without warheads doesn't make any sense," said Mr. Karpov, who heads the arms control department at the Soviet Foreign Ministry. "It doesn't matter where they are, they should be part of the deal. It's the main issue now that hampers agreement."

Ershad Shuffles Bangladeshi Cabinet
DHAKA, Bangladesh (Reuters) — Lieutenant General Hussain Mohammad Ershad, the president of Bangladesh, dropped five ministers, three deputy ministers and a minister of state in a major cabinet shuffle Monday.

Deputy Prime Minister Kazi Zafar Ahmed and Mahmudul Hasan, minister without portfolio and a retired general who was once a trusted Ershad aide, were the most prominent figures dismissed. Also dropped, according to a presidential spokesman, were Labor Minister Abdur Rashid Engineer, Works Minister Shafiqul Ghaani and Women's Affairs Minister Rabeya Bhuiya.

The spokesman gave no reasons for the changes, but sources in the ruling Jatiya Party said General Ershad had complained of its "inert role" during violent strikes and demonstrations against his rule last month.

California Road Violence Continues

LOS ANGELES (AP) — Gunfire that shattered a window of a truck has brought to 49 the number of acts of violence on California highways since mid-June.

In the shooting on Sunday, flying glass cut the face and arms of an Alabama trucker whose rig was hit by two bullets on a mountain highway near Tehachapi, 80 miles (130 kilometers) north of Los Angeles, the police said. The injuries were minor.

Four persons have died, 15 have been injured and 26 arrested in the highway violence, most of them shooting, in southern California. On Saturday, a Los Angeles couple reported that a bullet shattered the rear window of their car while they were driving on a picturesque highway in Big Sur, some 250 miles northwest of Los Angeles.

Korean Sees Danger in Labor Strife
SEOUL (Reuters) — Labor strife spread across South Korea on Monday, prompting an opposition leader to warn that democratic reforms were endangered. The disputes forced the closing of the second- and third-largest car makers, and clashes between riot policemen and coal miners were reported.

Kim Young Sam, leader of the main opposition party, urged moderation by workers, who are striking for better pay and working conditions and for the right to unionize. He told a party meeting that labor chaos "will give anti-democratic forces an excuse to hamper democratization," party officials said.

"The reason for the disputes is that the workers' rights have not been guaranteed," Mr. Kim said. "But however rightful these demands, they cannot be solved all at once."

Greece Endures Another Heat Wave

ATHENS (Reuters) — Forest fires burned on the Greek islands of Rhodes and Samos on Monday, but no deaths were reported in the latest heat wave in Greece.

Temperatures soared to 40 degrees centigrade (104 Fahrenheit) for the second day. About 60 people were reported to have been taken to hospitals for heat-related ailments during the weekend, but there were no official reports of deaths. More than 1,000 people died when temperatures reached 44 degrees centigrade (111 F) over a 10-day period last month.

On Rhodes, the 600 residents of Apollonia were ordered to evacuate after a forest fire that broke out Sunday threatened to engulf the village. On Samos island, north of Rhodes in the Aegean Sea, about 3,000 acres (1,200 hectares) of forest and several houses were destroyed by fire.

For the Record

A court in Uppsala, Sweden, jailed Sifon Thayward, a 32-year-old captain in Britain's Life Guards, on Monday for five years for smuggling 110 pounds (50 kilograms) of the drug cannabis into Sweden. (Reuters)

Israeli warplanes raided the village of Qasbiyat al-Jisr, near the market town of Nabatieh in southern Lebanon, on Monday, killing one person and wounding two. Radio Beirut said. (Reuters)

Prime Minister Yitzhak Shamir of Israel discussed proposals for a Middle East peace conference with Charles Hill, a U.S. envoy, on Monday. Mr. Hill is trying to persuade Mr. Shamir to drop his opposition to the conference idea. (Reuters)

The Afghan leader, Major General Najib, returned Monday to Afghanistan from the Soviet Union, where he arrived on July 19 for talks with Soviet leaders, the Bakhtar news agency said. (Reuters)

TRAVEL UPDATE

Sabena Pilots Plan Weekend Strike

BRUSSELS (Reuters) — Pilots of Sabena Belgian World Airlines announced Monday that they would strike this weekend, which is expected to be one of the busiest holiday weekends of the year in Europe. Up to 450 Sabena pilots and crew members will be involved in the action, to support a demand for higher pay, a pilots' spokesman said. The workers have urged their colleagues on other European airlines to maintain maximum services over the weekend so that Sabena clients will be spared inconvenience, he said.

Motorized boat services resumed in Venice on Monday after a strike kept water buses moored to the docks on Sunday, newspapers reported. During the strike only gondolas and rowboats kept the Grand Canal, while the lagoon was filled with sailboats. (AP)

The Swiss government said Monday that it opposes raising the national speed limits of 50 miles an hour (80 kilometers an hour) outside urban areas and 75 miles an hour on superhighways, which have been in force since 1985 in an effort to reduce exhaust emissions. A national vote on a return to the previous limits of 63 miles an hour and 81 miles an hour is expected late next year or in 1989. (AP)

A Pan Am jetliner and a TWA jumbo jet passed within 600 feet (180 meters) of each other Sunday afternoon as they were approaching different New York City airports, according to the Federal Aviation Administration. The agency tentatively blamed an air traffic controller who it said had transposed the number of the flight he was guiding. (AP)

Visiting New York City?
Gramercy Park Hotel
Distinguished 300 room hotel overlooking Gramercy Park. Excellent Restaurant, Cocktail Lounge, Piano Bar and Room Service.
Multi-lingual staff. Minutes to Business Center, Sightseeing, Banquet/Meeting facilities.
Singles \$95-105
Doubles \$100-110
Suites \$135-235
Group Rates Available.
Call Gen. Mgr. Tom O'Brien
1-800-221-4083
(212) 475-4320 Telex 668-755
Cable GRAMPARK
21st St. and Lex. Ave. N.Y.C.
or call your local U.S. office.

Happiness is a Gift from
MICHEL SWISS
PERFUMES . COSMETICS
NOVELTIES . GIFTS
Top export discounts!
HOURS
Monday to Saturday 9 am to 5 pm
Closed on Sunday
16, RUE DE LA PAIX-PARIS
Phone: (1) 42.61.11

Wanted for State of Qatar

The Department of Civil Servants Affairs, Ministry of Finance & Petroleum, State of Qatar invite highly qualified candidates to fill the post of Horse Trainer, vacant in Youth Welfare Supreme Council.

Qualifications & Experience: At least 10 years experience in training horses, instructing in the field of horses and horse races, and will be capable to organize and supervise the horse races.

— He must be medically and physically fit for the job.
— Must be conversant with the horse races in the world.
— Must be fluent in speaking & writing English.

Note: Interested candidates may submit their applications in duplicate together with 4 passport size photographs, C.V., photo copies of Diploma/Degree and experience and relevant documents attested from the concerned authorities to:

**DIRECTOR OF CIVIL SERVANTS AFFAIRS,
MINISTRY OF FINANCE & PETROLEUM,
PO BOX NO. 36, DOHA-QATAR.**

Applications once received will neither be returned nor acknowledged.

UNIVERSITY DEGREE
BACHELORS • MASTERS • DOCTORATE
For Work, Academic, Life Experiences.
Send detailed resume for free evaluation.
PACIFIC WESTERN UNIVERSITY
400 N. Sepulveda Blvd.,
Los Angeles, California
90049, Dept. 23, U.S.A.

After Four Years, Experts Question Impact of U.S. Education Reforms

By Robert Reinhold
New York Times Service

NEW YORK — Four years after school "reforms" began sweeping across the country amid fears that American public education was lagging, schoolchildren in almost every state are facing tougher academic standards and billions of dollars have been pumped into their schools.

But there is not yet proof that students are learning better. Moreover, as the first rush of political enthusiasm has worn off, some of the new measures have begun to erode in several states under pressure from unhappy teachers and tight budgets.

In addition, there is a growing sense that some of the new programs were ill-conceived in the first place, focusing on changes that appealed to politicians and businessmen but lacking relevance to the classroom.

"The 1983 reforms did not change the system at all — just tightened the screws," said David R. Mandel of the Carnegie Forum on Education and the Economy, which is promoting a plan for national teacher certification. "A few people were getting a few extra dollars and not much changed in the way schools operated. Decisions were made in the state capital and central offices."

As a result, there is wide talk of a "second wave" of change focusing more directly on how children learn and teachers teach.

But while uncertainty about the long-term results of the changes remains, evidence of new programs is everywhere.

In Franklin, Tennessee, 20 miles (32 kilometers) south of Nashville, for example, 329 boys and girls spent a steamy July at their desks at the Franklin Middle School instead

of angling for catfish. They studied computer software, Greek mythology and environmental biology and the less-gifted caught up with their mathematics and English so they would not be left behind when regular classes reopened in the fall.

Their teachers were on extended contract, earning up to \$7,000 in extra pay for successfully climbing Tennessee's new "career ladder" for teachers deemed superior.

The scene, in varying forms, has been duplicated all over the country as a result of a rush by governors and legislators to repair educational deficiencies that were widely perceived as putting the American economy at a competitive disadvantage.

Since 1980, all but five states have raised the minimum requirements for graduation from high school, according to a survey by Chris Phipps of the Education Commission of the States.

Mr. Phipps also reports that 42 states have bolstered their mathematics requirements and 34 have raised science requirements, and that all but 12 states have either begun programs to reward good teachers.

Since 1983, two-dozen states, most of them in the South, have passed broad comprehensive educational packages, tightening academic standards and discipline, raising teachers' salaries and recognition — and boosting taxes substantially to pay for it all.

Overall, state support for public schools has grown by 26 percent beyond inflation since 1980, according to a study by Allan R. Odden, Southern California director of a university study center, Policy Analysis for California Education.

A major goal to the states' efforts to improve public education was a 1983 report by the National



A classroom in California, where students have been taking more math and science classes.

Commission on Excellence in Education, "A Nation at Risk." The report said that a "tide of mediocrity" in schooling was undermining the nation's competitiveness in the world economy.

Soon after, a cascade of legislative revisions in schooling were passed with extraordinary speed, and no little controversy.

Four years after the report, the results are both promising and disappointing.

The school reform movement has benefited about 70 percent of our students but has had no significant impact on the other 30 percent," said Terrell H. Bell, a professor at the University of Utah, who as U.S. secretary of education com-

missioned "A Nation at Risk." The 30 percent are the low-income minority students, and we are still not effectively educating them," Mr. Bell said. "But that should not obscure the fact we are stimulating our better students. That needed to be done."

The federal role has receded since the 1982 report. Mr. Bell's successor, William J. Bennett, has raised doubts about whether American schools were as bad as the report argued, and the Department of Education's budget has been cut heavily by the Reagan administration.

Nevertheless, there is considerable evidence of progress.

In California, the number of stu-

dents taking three or more years of mathematics is up by 15 percent, and science up by 20 percent, since 1983. Scores on the standard Scholastic Aptitude Test for college admission are also up. In Florida, the high school class has been lengthened to seven periods and there has been a modest improvement in the Scholastic Aptitude Test scores.

In South Carolina, which in 1984 passed one of the broadest reforms, standardized test scores for both primary and secondary school students have jumped dramatically and average Scholastic Aptitude Test scores have risen more than in any other state, by 36 points since 1982.

In New York, students are labor-

ing under heavier academic loads imposed by the Regents Action Plan in 1984, although officials say it is too soon to cite results.

But the changes have not been uniformly accepted. New Jersey had to abandon its plan to give \$5,000 stipends to "master teachers" when teachers balked and only one district participated.

And there is evidence that the new programs, in raising educational standards, have had the effect in some cases of exacerbating one of the most serious problems, the dropout rate.

In Florida, there are reports that school reform may have substantially increased the number of high school dropouts. In Louisiana,

nearly half the students who enter high school still fail to graduate. There are also signs of backsliding as many of the key actors have left the political stage.

This January, three governors who made school reform their central political goal — Mark W. White Jr. of Texas, Lamar Alexander of Tennessee and Richard W. Riley of South Carolina — left office and were replaced by men for whom education was not as high a priority. Fiscal troubles in many states have crippled some programs.

In Texas in particular, many of the measures passed in 1984 have been in jeopardy as the state has struggled to cover a huge budget deficit. Governor William Clements proposed, among other things, to hold down teachers' pay, but he averted further cuts by agreeing to a large tax increase.

"The inescapable conclusion," according to a report by Policy Analysis for California Education, "is that the present course of events may not provide the resources necessary even to sustain present educational reform efforts."

From the beginning, many analysts say, the state measures were handicapped because they were imposed from above by politicians in league with the business community.

Those expected to carry out the changes — the teachers and principals — had little say, and often resented them as punitive.

Many of the ideas at the heart of the reforms, like merit pay for superior teachers, were notions drawn from the business world whose applicability to the schoolhouse has not been validated.

Still, the last four years have seen extraordinary ferment in the schools, especially in the South, where public education was widely perceived as lagging.

As recently as 1980, 10 of the 15

states that belong to the Southern Regional Education Board required no science or only one year of it in high school. Today, every state requires at least two years, some three years, of science.

Despite such gains, a recent report by the Atlanta-based board said that "most states cannot now prove that educational reforms are working." The states, said Mark Musick, a board spokesman, were "unrealistic" about how much the reforms would cost and how long it would take to implement them.

A particularly controversial aspect of the efforts to improve the schools is the notion of paying superior teachers extra money.

Tennessee has been a pioneer in this. The career ladder for educators was a major element of the Better Schools Program passed in 1984 under Mr. Alexander. Those reaching the second and third levels by virtue of having passed an evaluation by state-appointed observers can get \$2,000 to \$7,000 a year in extra pay.

But the Tennessee Education Association, the teachers' union, says the majority of Tennessee teachers opposes the program. They argue that the evaluation, done by outside teachers employed by the state Department of Education, is subjective and a poor measure of good teaching.

The union argues that the money financing the career ladder should be used to raise the overall minimum salaries from \$16,000 a year to \$18,500.

Robert Collins, the principal of Ulysses S. Grant High School in Van Nuys, California, says the chief benefit of the reforms in his state has been attitudinal.

"If you ask me for signs of progress," he said, "I'm not going to show you a new lab or new computers. The biggest change here has been in the attitude of students."

Pact Rejected By Rebels in El Salvador

SAN SALVADOR — A leader of the rebels fighting to topple the U.S.-backed government of El Salvador has said that they have no intention of embracing a regional peace accord by declaring a ceasefire in the eight-year war.

"It would be crazy for the guerrillas, who are advancing and have the army in a bad situation, to surrender," said Guillermo Ungo, president of the Democratic Revolutionary Front, on Sunday.

Mr. Ungo's remarks were the rebels' first official reaction to the Guatemala peace accord, signed Friday at the end of a two-day summit meeting that brought together the presidents of El Salvador, Honduras, Nicaragua, Costa Rica and Guatemala.

The Democratic Revolutionary Front is the political arm of the Farabundo Martí National Liberation Front, an alliance of five rebel groups that have been fighting since 1979 to oust the Salvadoran government, which is one of the closest U.S. allies in Central America.

Mr. Ungo spoke in a telephone interview from his exile home in Panama.

The declaration of cease-fires in the three guerrilla wars in Central America is a key part of the peace accord signed Friday. It stipulates that the cease-fires are to become effective in 90 days, but does not say how they are to be arranged.

A spokesman for the U.S.-backed rebels fighting to overthrow the leftist government in Nicaragua said Sunday that his group intends to continue the fight despite the accord.

"We are in no way going to lay down our arms," said the spokesman, who asked to remain anonymous. "The fight goes on."

He said the contras, as the rebels are known, would continue their struggle while seeking dialogue with the Managua government for a cease-fire.

After the accord was signed on Friday, President José Napoleón Duarte of El Salvador called on his rebel adversaries to lay down their arms and take part in the fledgling democracy.

But Mr. Ungo said that unless Mr. Duarte declares a unilateral cease-fire, the rebels will refuse to surrender.

In Guatemala, four leftist guer-

A Look at Peace Plans For Central America

New York Times Service

The Contadora Group — An initiative was begun in 1982 by Belisario Betancur, then president of Colombia, toward a regional peace treaty to be signed by five Central American countries: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. The initiative was begun by Colombia, Mexico, Panama and Venezuela and they took the name Contadora group for the Panamanian island where the plan was adopted.

One draft treaty in 1984 was eventually accepted by Nicaragua, which then rejected revisions demanded by the United States and several Central American nations. Negotiations continued, and, in June 1986, the Contadora nations, supported by Argentina, Brazil, Peru and Uruguay, offered a new Act of Contadora to the five countries involved.

The talks stalled again, and at meeting in Guatemala in February there were wide differences between Nicaragua and its neighbors.

The Manzanillo Talks — Mexico proposed face-to-face talks between the United States and Nicaragua in 1984. From June to December of that year, eight such meetings took place in the Mexican resort city of Manzanillo.

The United States broke them off on the ground that Nicaragua was using the meetings to circumvent the Contadora process and was not negotiating in good faith. Nicaragua asserted that the talks stalled when Washington objected to the Contadora peace treaty that Managua had found acceptable.

The Arías Plan — Proposed by President Oscar Arias Sánchez of Costa Rica and signed Friday, the plan calls for immediate talks between governments and unarmed opposition groups in countries where there are armed struggles, immediate cease-fires and a verified process toward armistices, democratic rights and social justice.

Supervised elections would be held simultaneously in Costa Rica, Guatemala, El Salvador, Nicaragua and Honduras. There would be an immediate suspension of military aid to insurgents, the countries would refuse to let their territory be used for action against their neighbors, and negotiations would begin within 60 days on controlling and reducing arms inventories and troop strength.

Within six months the presidents of the five countries would meet to evaluate the progress made toward democratization and peace.

The Reagan Proposal — On Aug. 4, as negotiators in Guatemala were preparing to act on the Arías plan, President Ronald Reagan presented another Central American peace plan calling for an end to military aid to both the Nicaraguan government and the anti-Sandinista rebels, known as contras.

The plan, which Representative Jim Wright of Texas helped draft, envisions an immediate cease-fire and suspension of the state of emergency decree in Nicaragua, followed by negotiations to restore civil rights and to establish a timetable for elections.

If there is no satisfactory settlement on negotiations by a Sept. 30 deadline, the White House would ask Congress to assist the contras on a larger scale than ever.

illa groups are fighting the government in a loose coalition known as the Guatemalan National Revolutionary Unity.

Meanwhile, in São Paulo, eight Latin American nations halted the peace.

Meeting for talks, foreign ministers from the eight nations issued a statement in the name of their presidents, saying: "The accord reached in Guatemala constitutes a

decisive step toward ending the costly and prolonged conflicts that affect the region."

The talks brought together countries that have been trying to end the Central American conflicts: the so-called Contadora group, consisting of Colombia, Mexico, Panama and Venezuela, and the Contadora support group, consisting of Argentina, Brazil, Peru and Uruguay.

Violence in Haiti Dims Election Prospects

By Joseph B. Treaster
New York Times Service

PORT-AU-PRINCE, Haiti — On Aug. 2, a respected political leader and two aides were stoned and hacked to death during a meeting with about 150 peasants in a rural churchyard.

The next day, a presidential candidate rumored for having tried several times to overthrow the now-deposed Duvalier family dictatorship, got into a gunfight with soldiers and fled to the countryside. Nothing has been heard from the man, Bernard Sansaricq, since then.

A week earlier, soldiers killed 11 persons during anti-government demonstrations in the capital and shot at journalists. The incident brought the number of civilians killed by the army in five weeks to more than 30 and the number of wounded to 200.

With less than four months remaining before the date set for its first presidential elections in three decades, Haiti is caught up in such a tide of violence that it is doubtful whether the elections can be held.

The provisional government, dominated by the army, says it is determined to see the elections through, and many presidential candidates seem determined to run.

But the civilian council that is supposed to run the elections told the government the other day that there is "a political tension" throughout Haiti that is "entirely unfavorable to holding elections."

The council asserted that the tension has been "generated mostly by violent actions perpetrated by the armed forces" and urged that some troops be reassigned.

The government, which must approve a new electoral plan submitted recently by the council, has not responded. Government officials have asserted — contrary to numerous accounts from witnesses — that much of the army violence has been merely a case of soldiers trying to protect themselves.

The government, headed by Lieutenant General Henri Namphy, has announced investigations into some of the killings. But Western diplomats say few, if any, soldiers have been disciplined.

The United States, which argues that elections are the best hope for restoring order to the country, has given Haiti more than \$400,000 worth of riot-control gear and trained about 150 Haitians in riot-control techniques.

But U.S. officials say the gear and the U.S.-trained soldiers have been dispersed throughout the country and not in the capital, where most of the army killings have taken place.

American diplomats have protested the violence and the misuse of the riot-control support. But they are reluctant to recommend that the \$100 million in U.S. aid allocated for Haiti this year be suspended.

Doing so, they fear, would bring down the Namphy government, which they hope can maintain some semblance of stability and get the country through elections.

There have been repeated calls for the resignation of General Namphy and the other military member of the ruling triumvirate, Colonel Williams Regala. Many political leaders question the ability and willingness of the generals to conduct fair elections and say they are increasingly convinced that General Namphy wants either to hold on to power or to play a role in determining who succeeds him.

General Namphy has consistently denied any political ambitions. But some of his strongest supporters began to doubt him in late June, when the government seized control of the electoral process from the civilian council provided for by the new Haitian Constitution.

After several days of protests, the government reversed itself. But the distrust persists.

As a compromise designed to improve the government's credibility — and perhaps improve the climate for elections — some political and religious leaders have begun suggesting that rather than step down, the generals might accept the addition of several new civilian members, which would put the military in the minority.

But General Namphy has ignored the suggestions.

Today, 18 months after the dictatorship of President Jean-Claude Duvalier collapsed and he fled into exile in France, many Haitians say the widespread violence suggests a revival of the brutal tactics of repression used in Haiti for almost three decades by Mr. Duvalier and his father, François.

During the latest wave of anti-government demonstrations, witnesses say, many of the army's victims have been innocent bystanders.

The Duvaliers played on Washington's dread of Communism to maintain U.S. support despite their despotism. Now, the Namphy government blames much of the unrest on leftist agitators and Communists, and in some of the latest violence, attackers have used anti-Communism to justify their actions.

In late July, more than 100 peasants were killed in a daylong battle in which landowners and sharecroppers accused a Roman Catholic group promoting land reform of being Communists.

Then on Aug. 2, Louis-Eugène Athis, the leader of a moderate political party, and two others were hacked to death by a peasant mob after the victims were accused of being Communists, according to an Athis aide who survived the attack. Mr. Athis had been especially critical of Communism.

One result of Mr. Athis's death is that the leading presidential candidates say they are afraid to campaign.



Mourners in Port-au-Prince, Haiti, at the funeral of a 20-year-old woman who was killed by a soldier's bullet on her way to school. In the past five weeks more than 30 civilians have been killed and 200 have been wounded by the army in scattered incidents of violence.

Our
air condition
— the clean, fresh mountain air.

PALACE HOTEL
GSTAAD
SWITZERLAND
Please call:
Phone: 030/8 31 31, Telex 922 22
Telefax 030/4 33 44
The Leading Hotels of the World

New fall-winter
collection
ESCADA
in Paris
at special
export prices
Marie-Martine
8, Rue de Sèvres, Paris 6th.
50, Fbg. St. Honoré, Paris 8th.

Act now
and save more
when you
subscribe to the
International
Herald Tribune.
Look for details
in our regular
subscription
advertisement.

Delta's America Sale

Now more places for less. California. Florida. Alaska. Canada. Hawaii. Mexico. And points in between. You name it. Delta gets you there. The Delta route system now covers all of America, from border-to-border, from coast-to-coast.

In all, Delta and "The Delta Connection" serve over 230 destinations worldwide.

Discover America Fare, as low as \$237 (U.S.). Valid for three flight segments to as many as three cities, within the continental U.S.A., depending on itinerary. Additional flight segments are available, up to a maximum of 12. Certain surcharges will apply for travel to or from Alaska, Mexico or Hawaii. Fare valid through March 31, 1988.

Delta Standby Travel U.S.A. Fare, from \$389 (U.S.). Enjoy 30-day unlimited standby travel in the continental U.S.A. 60-day unlimited standby travel is also available from \$479 (U.S.). Fares are valid through December 31, 1987.



Delta Circle South Fare. Only \$59 (U.S.) per flight to tour up to eight cities in the U.S.A. South. Fares must begin and terminate in Atlanta. Blackout periods apply. Fares valid through December 31, 1987.

Check for details on advance purchase, length of stay and other qualifications. Transatlantic travel not included. Fares do not include U.S. Federal Inspection fee equivalent to \$10.00 U.S.

Delta flies nonstop from Paris to Atlanta. Check for low APEX fares (Advance Purchase Excursion Fares). Call your Travel Agent. Or call Delta in Paris at 43.35.40.80. Delta Ticket Office is at 24 Boulevard des Capucines, Paris. R.C.E. PARIS 8 331 443 705.

Delta Gets You There With Care

All times and schedules subject to change without notice.

© 1987 Delta Air Lines, Inc.

Herald Tribune

Published With The New York Times and The Washington Post

Kick the Cold War Habit

After 40 years of the Cold War, the United States now has a basis for thinking anew about policy toward the Soviet Union. Hostility will not evaporate, of course; worries over containing Soviet power will legitimately continue. But changed circumstances call for addressing them more constructively, with less emphasis on arms and more on diplomacy and cooperation.

President Reagan can leave no greater legacy than to take account of the new realities in East-West relations and put forward new guidelines for managing the transition from cold war to peaceful competition.

The new factors that challenge cold war principles are plain. Mikhail Gorbachev seems to be turning the gaze of Soviet leadership more inward, toward galvanizing a moribund economy and toward a greater measure of public participation. That inward focus and greater freedoms have been long-standing American goals.

Another goal of American policy has been a stable and independent Western Europe and Japan. This goal, now in hand, was pursued for its own sake and as a balance against the Soviet Union.

U.S. policy makers have also tried to promote a pluralistic world. That world has long since arrived, with its surpassing difficulties and conflicts mostly beyond the power of either Moscow or Washington to control.

American resources are stretched, and beyond doubt the Pentagon budget will be cut. The nation's educational system, the needs of the young and the old, cry out for funds. Economic deficits must be closed. There can be no U.S. national security, in the profoundest meaning of that term, without meeting these needs as well as military ones.

While American policies too often have pulled policy toward extremes, thoughtful diplomats and analysts in and out of government have long agreed, for the most part, on certain principles:

Deal honestly with the American people. The superpowers have fundamentally conflicting interests. Friction is the inevitable

result, and Soviet military capabilities demand counterbalance and vigilance. Yet there are important common and parallel interests, which also demand attention. Telling truths will be less exciting than spinning dreams or spitting insults, but far more helpful to steady policy.

Keep arms control at the top of the negotiating agenda. Limiting arms is not a substitute for policy, but it is the lead element. Preventing nuclear war remains the overriding common interest. In small and steady steps, it can build confidence in a new relationship on both sides.

Do not link regional conflicts with other issues. Few regional tensions are simply or even mainly a product of U.S.-Soviet relations, but involve other countries' interests and politics. No clean solutions, like carving spheres of influence, are possible or desirable. Regular, candid talks would help — on what constitutes a vital interest, assurances against direct intervention and greater regard for other nations' right to self-determination. Meanwhile, arms accords or economic arrangements should be pursued on their own merits, without being made hostage to regional disputes.

Recognize growing common interests. Both nations worry about terrorism, the environment, Islamic fanaticism, overpopulation, scientific challenges and the proliferation of nuclear weapons. Calmer relations present an opportunity to address these concerns more effectively.

Look forward to basic changes in the relationship only over the long haul. No one agreement will turn it rosy, and no one crisis will end it. Gradual improvement is the best way to hedge against miscalculations, and alterations in Moscow's policies.

It will take strong leadership to disenthrall both sides of the fear and mistrust that have grown up over the years. Yet the chances of succeeding, and of freeing hopes and energies toward more promising goals, are better now than ever.

— THE NEW YORK TIMES

Undiplomatic Immunity

The Senate Foreign Relations Committee recently heard some horror stories that did not originate in Managua or Beirut. Witnesses testified about crimes committed against U.S. citizens in the United States by foreigners with diplomatic immunity. The senators were told of the officials in the Afghan UN mission who ran down a New York City girl because they wanted her parking space. They heard testimony about a series of rapes attributed to the son of an attaché at the Ghanaian mission, an assault by the Mexican ambassador to the United Nations and a shooting by the son of the Brazilian ambassador in Washington. None of those charged was prosecuted criminally because each had diplomatic immunity.

It makes the blood boil. Reflecting this, Senator Jesse Helms has proposed legislation that would do away with diplomatic immunity for all but a handful of senior diplomats. Families and administrative and technical personnel at embassies would be subject to prosecution.

Satisfying as the idea sounds — and no one can deny a powerful desire to do something about these immunized outrages — the State Department has entered strong and plausible objections. Diplomatic immunity, as the chief of protocol, Selwa Roosevelt, testified, is essential to help protect American diplomats abroad. Restricting it severely would not only be a violation of

international treaties, it would invite retaliatory action by foreign governments.

None of this means that the U.S. government should sit still for these abuses of diplomatic privilege — and in fact the government has not been passive about them. Actions have been taken to crack down on law violators. Offenders and, in the case of juveniles, their entire families have been expelled from the country. Diplomatic visas have been canceled and their holders' names entered into a computer system to guard against re-entry. Written guidelines have been provided to police departments urging officers to complete investigations in order to be prepared for possible criminal prosecutions if offenders manage to re-enter the country. Serious or numerous traffic offenses — a single incidence of drunken driving for example — will result in the loss of a driver's license. Firearms violations are grounds for immediate expulsion. And diplomats' children over 21, or students over 23, are no longer entitled to immunity.

Senator Helms has apparently been persuaded that his bill would cause more problems than it would solve, and he has indicated that he is open to compromise. That is good. It is possible, and important, to be firm at home without jeopardizing the safety of American diplomats abroad.

— THE WASHINGTON POST

Other Comment

On Strike in South Africa

South Africa's dependence on its black mineworkers has long been seen as the white government's Achilles' heel. Some 80 percent of South Africa's foreign exchange is derived from its gold and coal mines, and in theory a miners' strike could bring the country to its knees. But it is questionable whether the current strike, if sustained, could even achieve the black mineworkers' much more limited demands of better conditions and higher pay.

The National Union of Mineworkers is the most powerful union in the country and the best led. Since its legalization in 1979 the NUM has steadily built up its power and achieved genuine benefits for its members. But at the same time it has espoused radical political ideas.

It is doubtful whether the NUM can persuade its members to sustain a long strike. The cash difference between what the mining houses are offering the miners (a 23 percent increase in wages) and what the union is demanding (a 30 percent rise) is relatively small. Many miners may not be prepared to hold out for long for the outstanding 7 percent. Miners' wages, although higher than for many other black workers, do not give miners a surplus to allow them to sit out a long stoppage. Many miners from Mozambique, Lesotho and Malawi will go home to destitution and large families that are dependent on their wages. Those from within South Africa will fare little better.

The union and the owners still have time to work out a compromise. If they do not, a serious confrontation is likely to develop

in which the union will find itself having to adopt an increasingly radical political stance while the mine owners turn to the government for help. Such developments would almost certainly end in bloodshed.

— The Independent (London)

Credibility Risks in the Gulf

Having sailed into this mess with the ill-thought-out policy of reflagging Kuwaiti ships, the United States now must carry through on what it promised it would do. It can't pull out without giving the ayatollah a victory and Washington a serious blow to its credibility. But the risks of carrying through are rising day by day.

— The Tennessean (Nashville)

During President Reagan's six years in office, more than 300 American servicemen have been killed abroad. Poorly conceived foreign policy was responsible for putting American soldiers and sailors in those dangerous circumstances. After his fruitless "peacekeeping" effort in Lebanon, he has now embarked on another dubious adventure in the Persian Gulf. But if he has performed badly in conducting foreign policy, he has done no better as commander in chief. The navy didn't deploy any of its three active service minesweepers. Instead, the most powerful navy of the world "protected" Kuwaiti shipping by putting the supertanker Bridgeton ahead of the escorting warships. The tanker was sacrificed, as a recently laid mine blew a big hole in it, along with the very prestige and influence that the president is trying to rebuild in the Middle East.

— The Herald (Everett, Washington)

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR
and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor •

ROBERT J. DONAHUE, Editor of the Editorial Pages

RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers •

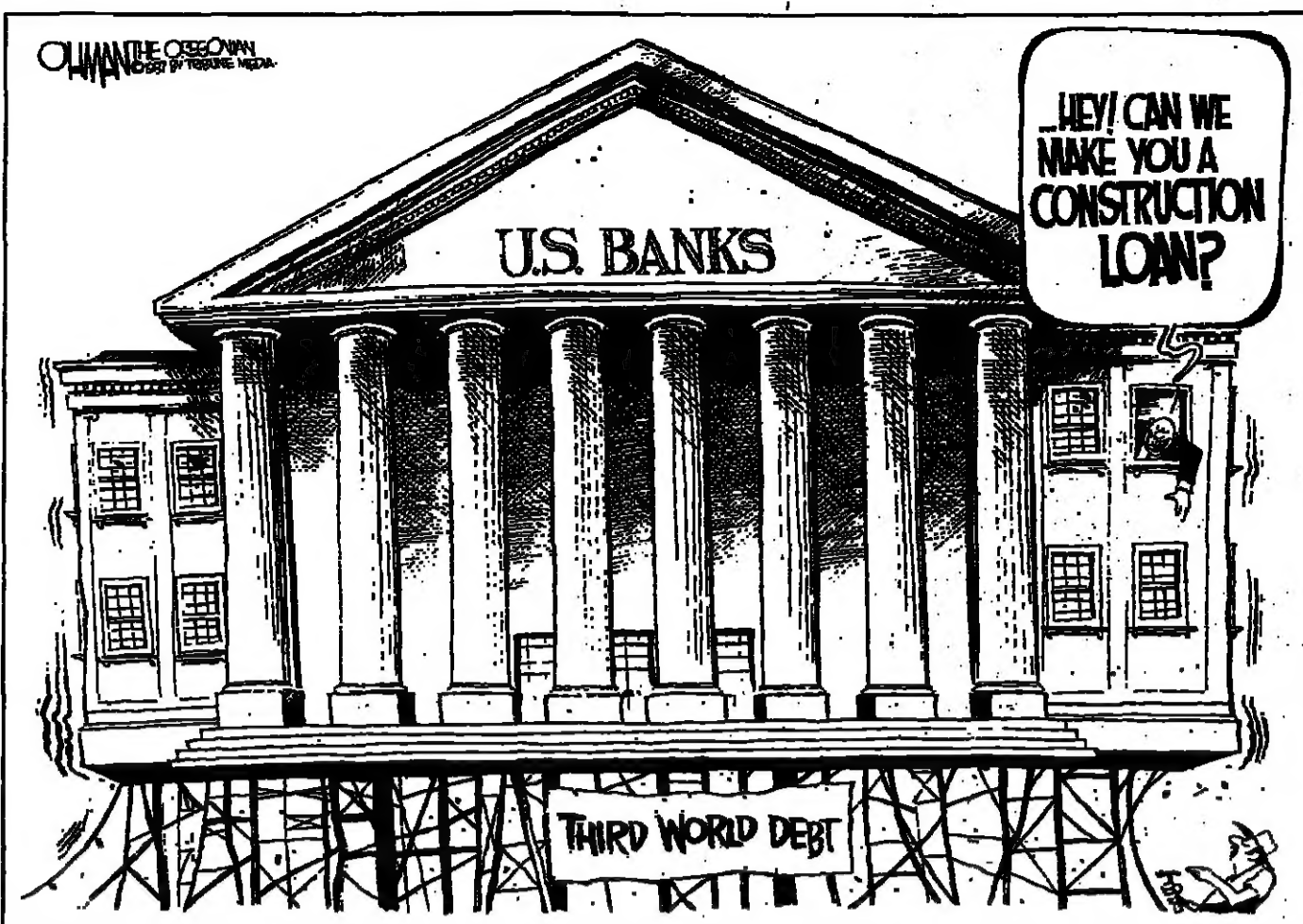
FRANÇOIS DESMAISON, Circulation Director • ROLF D. KRANEFELT, Advertising Sales Director

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612632; Editorial, 612718; Production, 630698.

Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel. 472-7768. Telex: RS36028
Editor for Africa: Michael Glavin, 30 Gloucester Road, Hong Kong. Tel. 5-3610616. Telex: 61170
Managing Dir. U.K.: Robin Macdonald, 61 Long Acre, London WC2E. Tel. 035-4802. Telex: 263009
Managing Dir. U.S.: Robert Macdonald, 13, 600 Franklin Ave., New York, N.Y. 10022. Tel. 416-2221. Telex: 416221
Gen. Mgr. W. Germany: W. Lamberth, Frankfurt: 13, 600 Franklin Ave., New York, N.Y. 10022. Tel. 416-2221. Telex: 416221
Pres. U.S.: Michael Cowley, 820 Third Ave., New York, N.Y. 10022. Tel. 416-2221. Telex: 416221
S.A. par capital de 1.200.000 F. RCS Nanterre 975201126. Commission Paritaire No. 61337
© 1987, International Herald Tribune. All rights reserved. ISSN: 0254-8052.

OPINION



The World Bank Needs New Ideas to Stay Relevant

By Sheldon Annis

WASHINGTON — Barber Conable, ending his first year as president of the World Bank, faces a dual crisis. The reorganization that was to have institutionalized a new vision is mired in staff protests, lawsuits and shrill charges of incompetence. Worse, the World Bank itself threatens to become irrelevant.

The bank's purpose is to transfer capital to the Third World. Yet every day a much larger volume of resources flows in the opposite direction. The bank remains the world's largest development institution, but its importance relative to the net flows out of the Third World is steadily shrinking.

The Third World has always been resource-poor, but in this decade it has become poorer. The debt crisis is accelerating the drain of resources.

Led by Citibank's example, U.S. commercial banks are starting to take their inevitable losses. These write-offs do not mean that capital is not flowing out of the Third World, only that the countries cannot pay more than they do. Commercial banks are cutting losses, not increasing loans. In Latin America, for example, the bank drew

back a net of about \$5 billion between mid-1985 and mid-1986.

Sub-Saharan Africa is possibly the most capital-starved area on Earth. Even there, capital is still being exported. Even the International Monetary Fund, which is supposed to be solving the debt crisis in Africa, drew out a net of \$400 million in 1986.

The second source of the World Bank's crisis of irrelevance is the Third World's trade deficit. The prices that developing countries pay for what they buy, compared to prices that they receive for what they sell, have worsened every year during the 1980s. From 1981 to 1985 the cumulative terms-of-trade losses of Third World countries amounted to an extraordinary \$93 billion.

In response to debt and worsening terms of trade, developing countries have little choice but to ruthlessly exploit their natural resources. Under pressure to export, Third World countries have been forced to cut irreplaceable forests and hastily mine the land. Conservation has become an unafford-

able luxury. The lumber, beef and commodities that are shipped daily northward deplete an already depleted resource base. In the long run the loss of natural resources may be the most costly of the Third World's many sources of impoverishment.

Can the World Bank stem this drain of resources? Certainly not by itself. A World Bank with twice or even 10 times its current resources would still not be able to reverse the imbalance.

Yet there is much that an aggressive and far-sighted World Bank could do — and no other institution to do it. Surely there will be major negotiations throughout the 1990s that will try to reconcile the debt problem and stabilize world trade. The bank needs to be a major actor, speaking on behalf of the world's poor.

In the future the World Bank is less likely to be judged by the volume of dollars that it lends and more likely to be judged by the power of its ideas and the foresight of its advocacy. Yet a World Bank that finances ideas, not just projects, has to be ex-

perimenting and taking risks itself. Should the bank be supporting subsistence agriculture rather than export-oriented commodity production? Should it turn its focus upside down to support grass-roots organizations on a massive scale? Should it counsel default when default is the only answer? Should it become involved in delicate matters of social justice that affect the economic options of the poor, such as land distribution and labor codes?

As the Third World's problems get bigger, the World Bank of the 1990s is going to become a relatively smaller institution. To maintain a constructive role, it is going to need fresh financing and fresh thinking. It must demonstrate the workability of new ideas and sell them to other institutions, including Third World governments, their trading partners and commercial banks.

Mr. Conable has not yet shown that he can lay the intellectual groundwork to make the World Bank a significant institution in the 1990s.

The writer, a fellow at the Overseas Development Council, contributed this column to the Los Angeles Times.

Saudi Arabia: This Time the Saudis Were Ready

By Mazher A. Hameed

This is the first of two articles.

WASHINGTON — Behind the turmoil of the recent rioting in Mecca lies a surprising and welcome fact: Saudi Arabia and much of the rest of the Moslem world are more stable than Western analysts may imagine.

Consider the difference between the latest violence and the events of 1979, when religious fanatics tried to take over the Grand Mosque. At that time, Iranian broadcasts to the Islamic world claimed that the United States was attacking Mecca. These calumnies led directly to anti-American riots in several cities and the burning of the U.S. Embassy in the Pakistani capital of Islamabad. There were fears that Saudi Arabia itself might be on the verge of collapse.

Eight years later the Iranian line was much the same, but it provoked anti-American demonstrations mainly inside Iran. The latest Mecca crisis began on July 31 when Iranian "pilgrims" suddenly led riotous demonstrations against the United States in the holy city. Saudi security forces tried to control the demonstrations. When the crowd got out of hand, hundreds of people were trampled. Ayatollah Khomeini then accused the United States and Saudi Arabia of "using premeditated means" to carry out a "dastardly attack" on innocent, unarmed Moslem pilgrims. But there was little response in the Islamic world, other than a prearranged demonstration by "relatives" of the victims in Tehran a few hours after the incident, before the victims had even been identified.

The Mecca events illustrated the seriousness of Iran's challenge to Saudi Arabia.

Since its revolution, Iran has used the annual pilgrimage to provoke demonstrations and disturbances in Mecca every year. The "innocent" Iranian pilgrims allowed to make the pilgrimage are in fact handpicked by the regime. Considerable numbers are trained for disruptive demonstrations; virtually all are instructed to follow the lead of the demonstrators. The annual pilgrimage has thus become an annual confrontation between Iran's ambitions and Saudi tolerance.

The recent riot was merely the worst incident, but it was far from the first.

It provides an important reassurance about Saudi stability. The contrast with the 1979 seizure of the Grand Mosque is stark: • The Saudi security forces' response in 1979 was ineffectual and panicky. Ultimately, outside help (reportedly including elite French forces) was required to assist in rescuing Islam's holiest shrine. This time, in contrast, Saudi security forces dealt with the attempted uprising quickly, effectively and appropriately. The Saudis insist that they did not use firearms, but in any event they did succeed in preventing the takeover of the mosque.

• In 1979 the Saudi government tried to cut off all news of the events in Mecca. That created an ideal environment for the spread of wild and inaccurate rumors by Iran. The latest incident had a speedy and effective Saudi response. Films of the Iranian pilgrims' provocations and of restrained

security force reactions were quickly made available to other Islamic governments and to the news media. Official representatives from 44 Moslem countries witnessed the bodies and attested that the dead had not been shot. Saudi news releases on the incident were forthright and surprisingly complete. Most Moslem countries expressed immediate solidarity with Saudi Arabia.

The Saudi overreaction to the 1979 incident continued long afterward, and contributed to international fears about Saudi stability. Indeed, during the early 1980s Saudi internal security forces vigorously monitored the behavior of Shiite Moslems and other potential opponents. It is too early to predict how the government will cope with the aftershocks of the recent events, but so far there seems little of the paranoia of 1979, and an overreaction seems unlikely.

The contrast between 1979 and 1987 extends well beyond the reaction of Saudi Arabia. It is noteworthy that this time there were no demonstrations of support for Iran anywhere in the Moslem world. Whether Shiite or Sunni, few believed the Iranian propaganda and most seemed to recognize the subversive responsibility of Iran for the incident.

Within Saudi Arabia, which has its own sizable Shiite community in the Eastern Province, there was not the slightest sign of identity with the miscreants in Mecca or the masters in Tehran.

The writer, a Saudi political and security analyst, is the author of "Arabia's Inevitable" and contributed this column to The Washington Post.

To Be Treated Like a Great Power, Act Like One

By Zbigniew Brzezinski

WASHINGTON — The mighty task force navigating the passages of the Hormuz Strait provides a sad spectacle of the decline of U.S. power. The presence of so much hardware is an unwitting monument to the lack of international credibility in American resolve. If U.S. power were truly feared, not a single warship would have been necessary. An American flag would have sufficed.

This is another way of saying that the U.S. capacity for effective deterrence has badly eroded. Increasingly, the prevailing assumption is that the United States would not dare to use its power, whether conventional or strategic. As that credibility declines, the display of American power to convince anyone of U.S. seriousness will have to grow in inverse proportions. The costs of conveying concern are inflating, and the risk that a potential U.S. opponent might badly miscalculate is correspondingly increasing.

This condition has both global and regional implications. It could affect the stability of the U.S.-Soviet strategic relationship, and it particularly handicaps the legitimate U.S. effort to preserve third-party freedom of navigation in the Gulf in the context of the Iraq-Iran war. That effort, on the level of both military tactics and the domestic debate, illustrates why American military might increasingly lacks deterrent effect. Indeed, things have reached the point where the very effort to deploy so much power communicates to the Iranians the impression of American unwillingness to use it.

From the vantage point of Tehran, the United States was seen to deploy

considerable naval power to escort ships in a highly confined geographical area, where such power is militarily vulnerable and has relatively little utility. Instead of intimidating the Iranians, this conveyed an American reluctance to become engaged. It signaled a hope that the sheer concentration of military firepower would be sufficient to deter hostile action.

At the same time, the domestic U.S. debate was conveying discord, indecision and even fear. Congress intervened with various attempts at mandating foreign policy by legislative action, but to no avail. Speeches conveyed anxiety, concern over "risks" and especially preoccupation over the possibility of new U.S. casualties.

Particularly damaging to U.S. credibility were the almost endless congressional speculations about how Iran might strike. Their bottom line was to reinforce the image of a cowardly giant, pretentiously flexing its muscles but only too ready to run for cover at the slightest indication of trouble.

In these circumstances, the proposition of action for the Iranians was to inflict some wound on the Americans and to wait for the internal spasms of self-pity, fear and breast-beating to carry the U.S. pullout.

A great power that is respected — in other words, a great power whose resolve to protect its interests is unquestioned — would have acted somewhat differently. Without much fanfare, it would have concentrated adequate military power to inflict serious damage on the potential opponent and

would have quietly conveyed to that opponent its intentions.

In this particular case, Washington should have informed Tehran, perhaps through a responsible third party, of the following: • that U.S. flag ships would continue to use the Gulf; • that America would respond with military means against Iranian assets if any U.S. flag ship were harmed; • that it would react similarly if any U.S. facilities were subject to Iranian-sponsored terrorist action;

• that it has the capacity to destroy not only important Iranian military assets but also vital economic facilities, and to impose a total naval blockade of all Iranian maritime trade. In brief, the United States could render Iran helpless in its war with Iraq.

Following such a message, the United States could have sent in an unescorted freighter or tanker, even informing Tehran of its schedule.

To enjoy the impunity that accrues to the status of a great power, one must first be willing to act like a great power. It is especially important to do so when major geostrategic interests are involved. The West as a whole will suffer, and the U.S. global position will be endangered, by any one of the following outcomes:

• Moderate Arab regimes are destabilized by fundamentalist and Iranian-backed internal upheavals.

• Iran defeats Iraq and becomes the dominant regional power.

• The Soviets become the principal regional actor, as Arab regimes, ap-

palled by U.S. timidity, turn in desperation to Moscow for protection.

The Iranian threat to Saudi Arabia could bring matters to a head. As U.S. decision-makers ponder how to react to a possible attack by Iran, they might well bear in mind an irreversible lesson of history: By failing to act like a great power, one invites being treated as if one were not a great power.

The writer was national security adviser to President Carter. He contributed this column to The Washington Post.

For France, A Prospect Of Change

By William Pfaff

PARIS — It has been a cold summer in Paris, but on the beaches of the south there has been sunshine, and uncommon political activity. Jean-Marie Le Pen, leader of the National Front, has been barnstorming the resorts looking for support in the presidential election eight months away.

Mr. Le Pen is a formidable campaigner. His speeches are rollicking, sentimental, funny — with, through it all, an undertone of menace. He sometimes talks two or three hours, holding his audience easily. He resembles a Southern demagogue of the old American school, the ones who would hold a courthouse square crowd enthralled in the small towns of Georgia or Mississippi in the 1930s and 1940s, shouting about blacks "stirred up by Yankee agitators," but also talking crops, wages, loans and bankers and what they were doing for "the little man."

Mr. Le Pen is not visiting the fashionable beaches so much as the popular ones, the family resorts, the places where hundreds of thousands of ordinary men and women have come with their children in overloaded cars, towing campers or boats, looking for a month of sea, meals in the sun, long evenings dancing at some village fete. His message is that France no longer is France. There are too many outsiders in France. There are too many North African laborers, but there are plenty of other outsiders — above all in the south, in the summer, when what seems like half of Northern Europe rushes to the Mediterranean sun.

Mr. Le Pen says that if the North Africans or other foreigners want to work and live in France, they should declare that they want to be French, behave like the French, go to school and church like the French, teach their children to speak French, and forget Arabic. If they do not want that, he says, they should get out.

The message is not overly racist. He does not say that Arabs are inferior, or that they should not live as they wish. He simply wants them to live as they wish in their own country, not his. Nonetheless he is breaking taboos that have existed since the war on what a politician should say. But this, of course, is his chief appeal.

Mr. Le Pen also runs against the established right and against Paris. He says that the conservative government now in power, that of Prime Minister Jacques Chirac, is no better than the Socialists, maybe worse.

The Le Pen movement makes its breakthrough into mainstream politics at a time when the left was in power and a certain part of the conservative electorate, mainly the privileged and anti-de Gaulle old right, wanted to "send a message" to the big conservative parties that they were not doing enough to fight socialism.

The Socialist government introduced voting by proportional representation, for not particularly creditable reasons of its own. That change launched Mr. Le Pen. He won some 10 percent of the vote in the 1986 legislative elections and is expected to do better in next year's voting.

His following is young, working-class, including people who formerly voted for the Communists. They are "poor white," but not that poor, so long as they are employed. France now is prosperous, and they mostly are doing well, compared to the past, but they are on the edge. The prosperity is recent, and seems insecure.

He expects eight months from now to control a block of votes so large that the big parties will have to make concessions. Many mainstream conservative politicians are convinced they will have to deal with him. Some argue that assimilating his followers into a bigger coalition is the way to destroy his National Front as a separate force — just as the Socialist Party ruined the Communists by taking them into coalition for the 1981 elections and in the resulting government.

The trouble is that taking the National Front into a conservative coalition would compel a sizable center-right group to leave. The conditions could be created in which a centrist-Socialist coalition becomes possible. That would open a dramatically different political prospect. The time approaches, one thinks, when maneuver and coalition-building will once again dominate parliamentary politics.

It will not be the same as in the 1930s and 1940s. This time there is a different constitution and a president elected by popular vote, with considerable independent power. But France would no longer have the small majority government it has known for the last 30 years, under Socialists and then, from 1981 to 1986, under the left. The post-Gaullist era in France's political life draws toward its close.

International Herald Tribune.
© Los Angeles Times Syndicate.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Goals in Turkey

CONSTANTINOPLE — While seeking to find a formula which will serve as the basis of a treaty of peace with Italy, the Turkish Government is occupied in restoring the country to normal conditions. [On Aug. 10] a leading member of the government gave me a view of the policy the Cabinet intends to pursue. "The whole idea of the Government," he said, "is to restore a normal state of affairs at home by settling internal dissensions. Our course is conciliatory. We are convinced that we shall gain the confidence and support of all parties. The Government considers that all races and religions in the Empire should have equal rights and equal representation in the Legislature." I asked, "Do you think it feasible to form a stable Government representative of Greeks, Armenians, Jews and Albanians?" "Yes," was the reply.

1937: Zionist Congress

ZURICH — A final resolution was presented, but not yet voted upon, by the Twentieth Zionist World Congress [on Aug. 10]. This proposed resolution, supported by the majority of Congress, empowers the executive to enter into negotiations with the British government "with a view to ascertaining the precise terms for the proposed establishment of a Jewish state." A supplemental resolution presented rejected the conclusions of the Royal Commission that the national aspirations of the Jewish people and the Arabs of Palestine are irreconcilable. The Congress reaffirmed on this occasion the declarations of previous congresses expressing the readiness of the Jewish people to reach a peaceful settlement with the Arabs of Palestine based on the free development of both races and the mutual recognition of their respective rights.

OPINION

Iran-Contra: Reagan Led That White House 'Junta'

By Anthony Lewis

BOSTON — The Iran-contra hearings left the image of a president airily detached from all that had gone on. Committee members spoke of a "junta" inside the government, of William Casey and John Poindexter and Oliver North carrying out a "coup." It was as if their activities had nothing to do with Ronald Reagan. But Mr. Reagan was very much in charge. He made the basic decisions to contravene policies established by law and by his own commitments. He signed the orders for secret operations. If there was a junta, he was its enthusiastic leader.

The most shocking aspect of the story remains the decision to sell arms to Iran in the hope of getting hostages out of Lebanon. President Reagan had called on the world not to arm terrorist countries, in particular Iran, and not to make deals for hostages. His warmest supporters condemn the arms sale.

It was not John Poindexter or Peter Pan who made the decision to sell the arms. It was the president. He made it against the passionate objections of his two senior cabinet officers, the secretaries of state and defense. He put it in writing. There were curious mental efforts to evade the import of those sales. The president said the arms were going to "moderates," but of course they went to the government. The president told his aides at one point that America should sell arms to Iran because it was losing the war with Iraq — but it was in fact winning.

Then there was the larger excuse of trying to re-establish relations with a country as significant as Iran. That effort would have been sound policy. But by taking up the Israeli idea of selling

arms, Mr. Reagan hopelessly corrupted it. He was the man responsible, too, for the other secret policy at issue: sending arms to the Nicaraguan contras while legislation passed by Congress and signed by him forbade military aid.

Again, there is no doubt that he was in charge. After some attempts at evasion, he said that supplying the contras was "my idea to begin with." He has continued to deny he knew that money for arms was being begged from the Saudis and other foreign powers, and from rich Americans. The denials are hollow, but in any event he would be responsible for the acts of subordinates carrying out what they correctly understood was his policy.

The theory that Mr. Reagan was victimized by a Casey-Poindexter-North junta fails on another ground. He appointed those men, and there is every reason to think he knew what they were and got what he wanted.

Mr. Casey was a conspirator from way back, a man of extreme right-wing views and little regard for legal constraints. He used his position as CIA director to push for aid to terrorist groups opposing leftist governments around the world. He cooked intelligence to fit his policy objectives. Can anyone doubt that the man who appointed him and relied on him so heavily liked what he did?

John Poindexter and Oliver North were professional liars, and proud of it. Washington has seen nothing to equal Rear Admiral Poindexter's memory, or Lieutenant Colonel North's grandiose gibberish when caught out in falsehood. Can anyone think that their president was mortified at the performance, or doubt that they were carrying out his wishes when they practiced to deceive?

The purpose of all the deception was to concentrate power in the White House. If no one else knows what you are doing, no one can object; no one can interfere. Secrecy prevents accountability.

There again the Casey-Poindexter-North team was reflecting Mr. Reagan's view. This president, more than any in memory, regards Congress as an illegitimate body in matters of foreign policy. He has worked diligently to exclude Congress, surprise it, deny it a role.

To outline what the hearings showed is to see the real object of the conspiratorial activity: to evade the rules of the Constitution. James Madison and his colleagues, 200 years ago, relied on two main devices to protect the freedom of Americans: the separation of powers and respect for law. The Iran-contra affair was an attempt to frustrate both those safeguards — to give America an executive beyond accountability to Congress in foreign policy, and beyond the law. Many members of the investigating committees saw that plainly enough. But they did not see, or did not name, the man responsible.

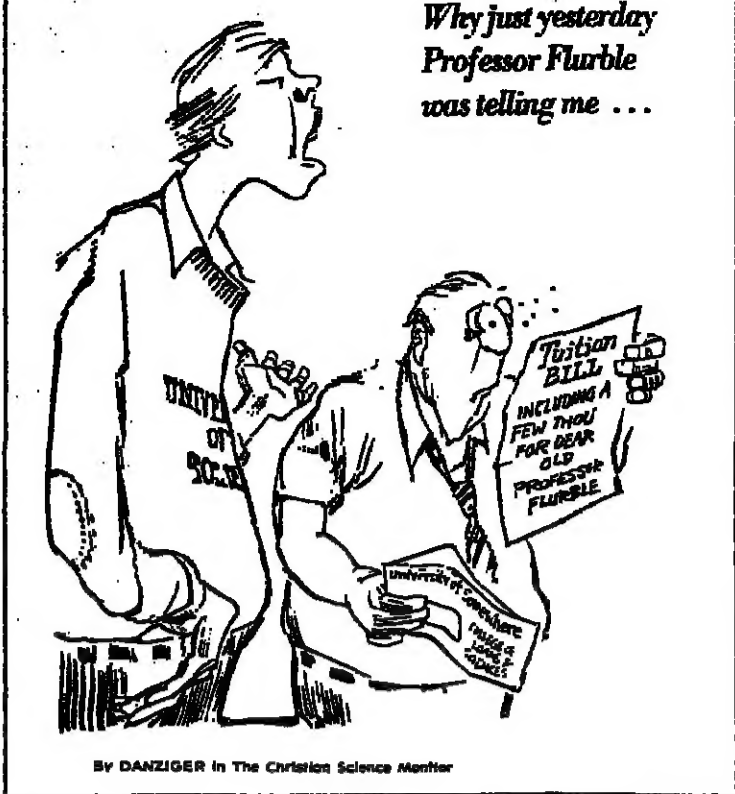
The New York Times

Vulnerable to Grief

DAVID Stockman wrote of President Reagan that "despite his right-wing image, his ideology and philosophy always take a back seat when he learns that some individual human being might be hurt." He was all the more vulnerable to the plight of real people when American lives were at stake. On June 28, 1985, while the crew and passengers of a hijacked TWA airliner were held captive in Lebanon, the president made a speech in Chicago Heights, Illinois, in which he said, "I only know that none of us, any country, can afford to pay off terrorists for the crimes that they are committing, because that will only lead to more crimes." But after making this declaration of policy, he spent 33 minutes with distraught families of the hostages, and aides remember that he was shaken by the conversation. "We're doing everything we can to secure the safe and early return of those being held," Mr. Reagan told the families. "We're constantly looking for ways to do more."

— Lou Cannon in The Washington Post

Honestly, Dad,
your view of life is
hopelessly out of date.
Why just yesterday
Professor Flurble
was telling me ...



By DANZIGER in The Christian Science Monitor

Looking for Glasnost on the Scene

By Stephen Williams

PARIS — A rock concert turns rowdy in a Moscow suburb, several thousand Tatars dare to hold a demonstration in Red Square and get away with it, a "free enterprise" restaurant opens and, suddenly, for some there's a whiff of Prague Spring in this Moscow summer.

Never mind that the Tatars were subsequently warned that further protests would not be tolerated, or that police vigilance over unofficial youth gatherings regularly degenerates into brutality (this according to Komsomolskaya Pravda), it might seem that the great liberal gust of glasnost has succeeded in blowing open more "windows on Europe" than Peter the Great could have imagined.

Newspapers are allowed, even encouraged, to criticize economic policy. Theater managers can be bolder. The Baptists can import 100,000 Bibles. It must be a heady time in the Soviet capital.

Or is it?

A visitor just back in Paris from a brief stay (his first) in Moscow and Leningrad could not quite believe his eyes when he read that, in the words of a former U.S. ambassador to the Soviet Union, "Openness is evident everywhere in Moscow."

Now, I am not a Kremlinologist; nor had I any intention of exercising my journalistic profession on this trip. I was as much a curious tourist as my American compatriots (a theology teacher, a retired businessman) seated for dinner in the Rossiya Hotel. But I cannot help but sense a measure of wishful thinking in some of the current Western enthusiasm. We so want them to be more like us.

more democratic, more mobile, more consumer-oriented. We are always ready to discover political pluralism behind a Dallas Cowboys sweatshirt on Gorky Street or to grasp at the tiniest traffic jam as a sign of growing prosperity. But what do we see on the street?

First of all, Communist Russia is an old-fashioned society, in its dress, its public morals, its unquestioned national

MEANWHILE

pride and patriotism and its respect, at least superficial, for civic order.

Prim little girls wear long braids and huge bows in their hair (red and white are the preferred colors), while the nondescript clothes of adults could date from the 1950s or even the 1930s. Automobiles, like women's hair styles, seem to suffer from an absence of style, except that it all comes from another age. At best, this is postwar Europe, that period of pre-economic miracle in the West when the Germans had finished stacking the bricks.

Where are the "rockers" one reads about, the rebels without a cause, the Russian punks who are jolting Soviet society? Perhaps they were all vacationing on the Black Sea when I was in town.

Newly married couples have their photographs taken before the Eternal Flame of the Unknown Soldier; praise of party and nation is spelled out in tall letters necessary to get the key to your room; on each floor is stationed an unsmiling man who collects hotel cards and distributes keys. Foreign newspapers are indeed available — they are the organs of the Western Communist parties. You can go anywhere you want to go — as long as you stay in Moscow. And so on.

Russians that snakes through the Kremlin Wall gardens and up to Red Square for a 30-second view of Lenin's mummy is disciplined and uncomplaining, marshaled two-by-two by pickets of uncompromising soldiers. It's enough to warn an American conservative's heart.

One day I managed to break out of the tight itinerary schedule to go in search of an icon museum situated just east of the city center. (I was told by the guide that the museum, not on the official tour, was "difficult" to get to.) In my quest to see real Russian art, I got a glimpse of real Russian living conditions.

The pervasive street pollution, the state of neglect of most buildings, a pitiful vegetable market (a couple of crates of cucumbers) and the obvious indifference of a worn-down population all seemed to be a world away from the spirit of glasnost. In one street, a long line of poorly dressed men had formed to get into a dark, primitive bar dispensing beer. The scene was typical: From the dusty tin-can structures of Leningrad to the recently built apartment blocks of Moscow that are already overgrown with weeds, it was like so many the visitor commonly sees.

Economically, Mikhail Gorbachev's reforms have a very long way to go. Changing habits of mind may be even harder. The limits on "openness" are part of everyone's Soviet experience.

Guests to the capital must carry a hotel identity card, needed to get past the doorman (you do not just walk into the Rossiya or the Cosmos off the street) and necessary to get the key to your room; on each floor is stationed an unsmiling man who collects hotel cards and distributes keys. Foreign newspapers are indeed available — they are the organs of the Western Communist parties. You can go anywhere you want to go — as long as you stay in Moscow. And so on.

The restrictions on movement even touch the dead. A famous cemetery is off limits to visitors, Russian and foreign alike. Presumably, the interred are politically too hot to handle.

At street level, then, is glasnost merely a facade? Is it a Potemkin village of measures that can be pulled down quickly when no longer needed? In any case, this seems to be a nation of facades. The marvelous Neva-front palaces in Leningrad screen whole neighborhoods of decaying buildings that look abandoned. Moscow's center is ringed by half a dozen huge monuments to Stalin's architectural taste looming over districts that in the West would qualify as slummy.

An evening of folk dancing is striking in the same way. What a contrast between the high-spirited kicking and stomping, the wonderfully colorful costumes and the utter drabness of the Moscow crowd.

True, Mr. Gorbachev never promised a shopping mall in every suburb. But the somber scene surprises the visitor. No, Moscow 1987 is not vibrant Prague 1968. Gorbachev must not be Dubcek. And by the way, whatever happened to Alexander Dubcek?

International Herald Tribune

LETTERS TO THE EDITOR

Israel and the Palestinians: Peace Talks With Whom?

Regarding "Arab-Jewish Integration in Israel: It All Started With the Buses" (Aug. 5) by Thomas L. Friedman:

Professor Sari Nusseibeh seems to be unaware that his "radical thesis," that Israel is already a Jewish-Arab state, was argued in the 1920s and 1930s by a strong and vocal Zionist group, led by the then president of the Hebrew University of Jerusalem and a number of the university's founders and professors.

This group demanded not a partition of the country but a binational state. The melancholy end of the movement was due not so much to the opposition of the more extreme Zionist wing as to the tattered fact that the group had no Palestinian-Arab interlocutor to talk to.

R.J. ZWI WERBLOWSKI, Jerusalem

In "20 Years After, Uneasiness in Israel" (June 8), Stephen S. Rosenfeld says that Israel is reluctant to engage in political and territorial "compromise with compromise-minded Palestinians."

In fact, the Israeli left has been searching for such "compromise-minded Palestinians" for the past 20 years, covertly and openly. The Israeli govern-

ment also has been seeking them, mostly covertly. Recently, after the murders of two Jewish residents of the West Bank (a pregnant woman and an 8-year-old boy), a delegation from Israel's leftist "Peace Now" movement engaged PLO representatives from the West Bank in a dialogue, hoping to facilitate a PLO statement denouncing acts of murder and sedition. They got nowhere.

According to a public opinion survey published in May, only 18 percent of Israeli Jews would like to hold on to the captured territories for ideological or emotional reasons. However, because Israel finds no Palestinians willing to accept territory in exchange for an immediate peace, the incorporation of 1.5 million Palestinian Arabs into Israel becomes a fact of life for all to deal with.

Coping with a large Arab minority may be the "compromise" Israel has to make. It will be a test of the Torah, which 36 times repeats the commandment to protect the rights of the non-Jew in Israel.

DAVID BEDEIN, Jerusalem

Patrick E. Tyler and Jonathan C. Randal ("The Palestinians: Bitter Are the

Landless," June 4) describe the harsh reality: 250,000 Palestinians in Israeli prisons in their lifetimes, 1,215 deported or expelled, 1,300 of their homes bulldozed. The resistance and agony of the Palestinians will continue until their right to an independent nation is recognized and that nation is established.

R. SEMAN, Athens

Moshe Arens, in "Midwest Peace Talks: Prescription for War" (July 27), seems upset that the Soviet Union would wish to be more than a rubber stamp at an international peace conference. This is surprising, coming from a former Israeli minister who should know that Moscow wields a great deal of influence in the region and that the Soviet Union's active cooperation is vital if there is to be peace.

Regarding the creation of a Palestinian state on the West Bank, he says that there would be "no way to control who would rule the area once Israel relinquished control." That is the intended result. Palestinians, like every other people on Earth, have the right to live in a country where they may choose their leaders and institutions without foreign interference.

THOMAS J. KENNY, Paris

What About the Guns?

Regarding the report "It's War" on L.A.'s Overheated Freeways" (July 29):

It amazes me that medical and law enforcement authorities would attribute 10 senseless highway shootings only to "record traffic on Southern Californian freeways, hot weather and Californians' love of their cars." Has anyone asked why all those people are carrying guns?

Or have I been living abroad so long that in my absence such questions have become outdated?

SALLY SOLO, Tokyo

Airdasher vs. Helicopter

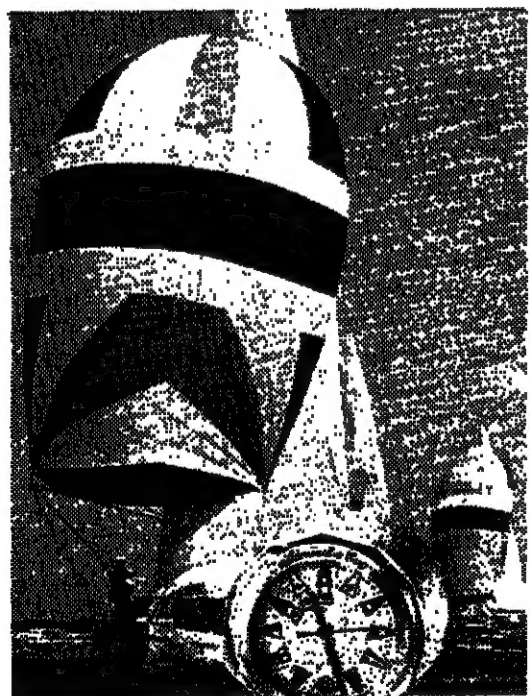
Steven R. Weisman ("India's Homely English," July 13) highlights a bunch of negative characteristics at the expense of the bountiful positive aspects. He is unduly worried by such innovations as "airdash," meaning to rush by air. Americans themselves profusely license such linguistic oddities as "helicopter."

And it was Lionel Trilling who said that when we hear English from the mouth of an American, we fear for its integrity.

THOMAS VARGHESE, Vienna

CORUM

Corum congratulates the skipper and crew of the New Zealand yacht "Pro-propaganda" the winner of the Corum Trophy—the second regatta in the famous international Mumm Admiral's Cup Race 87.



The Corum Trophy. Based on the ship's clock designed in the 18th century by the famous French royal watchmaker Ferdinand Berthoud (1727-1807), a Fellow of the Royal Society, London.



CORUM

Creators of the famous Admiral's Cup watch.

The Australian and New Zealand yachts "I Punt" and "Kwi" came second and third respectively.

Marlboro



Marlboro
the number one selling
cigarette in the world.

Iraqi Planes Renew Bombing Attacks on Iranian Oil Facilities

The Associated Press
NICOSIA — Iraqi warplanes raided oil installations in northern and southwestern regions of Iran on Monday in the first such bombings in at least two months.

The Baghdad military command said warplanes had carried out raids on an Iranian oil refinery in the northwestern city of Tabriz and on five oil fields in the western Khuzestan region, the Iraqi News Agency reported.

The official Iranian news agency, IRNA, monitored in Nicosia, reported casualties among workers and said that the raids had damaged industrial complexes in Tabriz and in an oil field south of Ahvaz. The Tehran radio said nine civilians had been killed and several had been injured.

The Iraqi command said the strikes had been a "back-breaking" retaliation that the Iranian government deserved because it had rejected a United Nations Security Council cease-fire resolution and had resumed attacking Iraqi civilian areas.

Iraq has restrained its air attacks since May 17, when an Iraqi fighter fired missiles at the U.S. guided-missile frigate *Stark* in the Gulf, killing 37 American sailors. Iraq said the plane's pilot had mistaken the frigate for an Iranian warship. The Security Council ordered a cease-fire on July 20 in the nearly

seven-year Gulf war. Iraq accepted the resolution, but Iran rejected it. Adoption of the resolution was followed by further Iraqi restraint in its air attacks.

Military experts have speculated that the bombing lull also allowed Iraq to refrain from retaliatory attacks at a time of high tension in the Gulf as U.S. vessels began operations in the region.

The raids came a day after both sides reported civilian casualties resulting from air raids or artillery shelling along the 730-mile (1,180-kilometer) war front.

An Iraqi communiqué said long-range Iranian artillery fire had killed three persons in the Kurdish town of Qala-Diza in northern Iraq and had damaged several houses in the southern port city of Basra.

Iran said Sunday that five civilians were killed and 10 were wounded when Iraqi bombers raided the town of Sardasht in northwestern Iran on Saturday.

Iranian Shelling Reported
Iran shelled Iraqi oil platforms at the head of the Gulf in retaliation for Baghdad's air strikes on Monday, Reuters reported from London, quoting IRNA.

The report said the Iranians had also bombed military and economic centers in the Iraqi port of Umm Qasr, south of the city of Basra.

B-1: Serious Problems

(Continued from Page 1)

could meet these tough demands. It worked diligently to prove it could remain within its budget, cutting corners and whittling back parts of the B-1 program. It persuaded Congress to accept special cost-cutting contracting arrangements even though the B-1 program did not qualify under the military's requirements.

Far from controlling costs, however, the spending cap "provided a mythical ceiling and diverted management initiatives into efforts to locate ways around the cap," according to a 1982 GAO investigation. "Billions of dollars devoted to the B-1 were tucked into other programs to avoid the cap."

The GAO found that the air force had disguised extra costs for such essential items as training simulators, engine parts and maintenance depots.

Other features were removed from the original budget as "unnecessary" only to resurface in new budget requests as "enhancements" needed to meet a changing Soviet threat.

Of all the cost-cutting, time-saving efforts, the most controversial was the air force decision to use high-risk procurement plan called "concurrency" in contracting jargon. It meant that the air force developed the B-1's parts at the same time the plane was on the assembly line.

Air force officials say this was the only way they could produce the plane quickly enough to meet the congressional guidelines, even

though it left virtually no margin for error.

The system allowed Rockwell International Corp. to gear up its assembly line quickly. In September 1984, within three years of signing the contract to build the airplane, Rockwell rolled out the first plane on a runway in the California desert east of Los Angeles.

Because of the hectic production schedule, there was little time—in some cases, no time—to test the bomber's systems. As a result, many components did not work once they were assembled.

Rather than slow the main production line, Rockwell delivered some bombers with flawed parts, while others lacked some of their most critical components, including the electronic countermeasures system produced by Eldec Corp.'s AIL Division.

The irony was that Mr. Reagan had used that system's advanced capabilities as a B-1 selling point. Its computers and electronic eyes, contained in 108 black boxes, were designed to spot possible attacks

and jam Soviet defenses, rendering them impotent.

Individually, many of the boxes worked. But when the 2.5-ton system was assembled, the software in some boxes was incompatible with other boxes. In one of the worst cases, the plane's electronic jamming devices not only were unable to jam Soviet defenses, they served as a beacon that would draw Soviet radar to the plane.

"It would be like turning on a flashlight in a dark room," said Captain Fred Strain, an officer trained to operate the B-1's defensive avionics equipment.

The first findings of major B-1 problems were revealed last summer during a closed briefing on the Stealth bomber presented to the House Armed Services Committee by the GAO. According to Mr. Conahan of the GAO, agency officials mentioned the B-1's problems during questioning about the Stealth.

When the first B-1 officially entered the air force fleet last September, though, military officials and

defense contractors declared it a production miracle. Four years after the production contract was signed, a squadron of the powerful war machines lined a runway on the northern Texas plains, ready to go on alert and perform their mission.

What the air force did not say about the bomber was that it could perform only part of its mission. The plane was not ready to be flown at its most effective terrain-hugging levels. Its electronic jamming equipment did not work. There were flight-control failures, a bomb bay door malfunction that sent bombs spiraling out of control and a computerized maintenance system that gave off so many false alarms that the crews considered it unreliable.

The revelations, which were not made public until several weeks after the bomber was declared operational, stunned members of Congress, who had not yet received a full briefing on the GAO findings. Defense Secretary Caspar W. Weinberger was said to be furious



A prototype of the B-1. Technical problems have crippled its ability to carry out its mission.

that top air force leaders had not adequately warned him about the problems, according to Pentagon officials.

The air force and its contractors have scrambled to correct many of the problems. While air force officials and contractors say they have fixed or found a way to fix many of the B-1's problems, they concede that the electronic countermeasures system, which is the greatest problem, may not be fully operating until 1991.

Further, they say the problem is compounded by continuous changes in what is perceived as the Soviet threat, which force engineers to try simultaneously to correct problems in software designed to meet current threats as well as improve software to combat future threats.

According to Mr. Aspin, the bomber is capable of performing about 60 percent of its mission and will be about 80 percent effective after the air force puts planned improvements into effect.

Air force officials boasted that the B-1 celebrated the July 4 Independence Day holiday by breaking four world records and setting 14 standards for a combination of speed, distance and payload.

Still, the plane continues to be plagued by embarrassing difficulties. In June, the air force took the bomber to the Paris air show, one of the most prestigious international stages for aeronautical equipment. After the show, when the crew prepared to fly it home, the B-1's engines refused to start because of a failure in the auxiliary power unit.

The plane left Paris a day late after the air force trucked in a 230-volt ground power unit to jumpstart the engines.

KIDS: Traveling Parents

(Continued from Page 1)

thought it very unprofessional to bring your child with you. Now I could care less what people think."

Mr. Burt even arranged for his daughter to be brought to visit him at clients' offices.

The key to Mr. Burt's travel success is the nanny who accompanies him. Burt and Hannah. After Mr. Burt leaves in the morning, the nanny bathes Hannah and the two then stroll in a park or tour some city sight. They visit Mr. Burt at mid-morning, then have a snack at the hotel, recreation, activity, lunch and, for Hannah, a nap. They return to see Mr. Burt at about 3:30 or 4 P.M.

These visits are no big deal, Mr. Burt said. No matter what he is doing, he drops it and introduces Hannah to whomever he is around, inquires about her day's activities and then returns to work. She may stay five minutes or as long as an hour. The interruptions, he said, do not perturb his business associates, who only care that Mr. Burt does his job.

Mr. Burt said his unbroken rule was that he be with Hannah from 6 to 8 P.M. The two dine and read together before she goes to bed. "I don't let anyone else put her to bed," he said. After settling her between the sheets, Mr. Burt frequently returns to the office or joins associates for dinner.

When Meghan joins her mother on a trip, Ms. Desmond has to call in advance to arrange child care and, if a rental car is needed, reserve an infant safety seat. In most cases, the hotel provides her with the name of an individual or a bonded baby-sitting service that it has found to be reliable.

Hotels in metropolitan areas usually recommend bonded services only. For added reassurance, Ms. Desmond makes it a practice to telephone the sitter before leaving home.

Sitting charges vary by city, usually ranging from \$3 to \$6 an hour with 24-hour notice, or a dollar more without notice. While it may appear costly to include a child on business trips, the additional expense is not significant, said Ms. Desmond, who must pay for a sitter anyway when her daughter remains at home. Meghan flew for free until age 2 and now qualifies for child fare when available.

Ms. Desmond, whose business expense account does not cover child care, once paid air fare for a friend who agreed to care for Meghan while Ms. Desmond attended daytime meetings.

"I figured it out that it was only going to cost me \$20 more to fly her to Washington than to pay for a sitter once I got there," Ms. Desmond said.

Neither Mr. Burt nor Ms. Desmond regards their daughters as exceptional in their ability to travel well and their fondness for the trips, but both acknowledge that they have been spared serious problems.

"The big challenge is when she goes to school," said Mr. Burt, looking toward the time when Hannah's education will conflict with his desires to take her traveling with him. "She's going to miss a lot of school."



Cyril Ramaphosa, the miners' leader, at a news conference.

PEACE: Managua's Ability to Change the Way It Governs Is Seen as Key to Accord

(Continued from Page 1)
if they agree to stop running the country like a one-party revolutionary socialist state. Since the Sandinistas have been a revolutionary party since their founding 25 years ago, such a change would be significant.

One diplomat said the shift would change the Sandinistas' program from a homegrown form of Cuban-style Marxism to "a kind of Mexican one-party state in which the opposition plays a major role."

"We now have to see if the Sandinistas are serious," a Salvadoran official said. "If they use this tactically to buy time and hold on to power, then it's a failure and the

war will go on. But if they really change the way they rule, it will be a giant political step."

The new plan is based on a proposal first made by President Oscar Arias Sánchez of Costa Rica. It appears to represent a triumph in his persistent struggle to persuade other Central American leaders to try to negotiate an end to the conflicts that have devastated their societies and economies.

"I am extremely happy," Mr. Arias said. "I was able to convince my colleagues in Central America that either we sign the agreement today or else there will be escalating war in Central America."

Regional talks about peace had been going on for nearly four years, and the fact that a plan was finally signed surprised many diplomats and other observers. The plan was signed on Friday in Guatemala City by the presidents of Costa Rica, Nicaragua, El Salvador, Honduras and Guatemala.

Salvadoran and Honduran officials said they decided to sign the

treaty because they felt it was what one termed "a necessary political step" to take the Sandinistas.

A Costa Rican official said he felt the Sandinistas had decided to sign the plan because they were worried by apparent bipartisan support in the U.S. Congress for the far tougher accord proposed by Mr. Reagan and Mr. Wright.

"They know if they are not flexible and don't compromise, the war will go on," Mr. Arias said. "Really, Nicaragua is a mess."

The new accord calls for cease-fires, peace talks and amnesty to end regional wars. It also calls for a cutoff of outside aid to rebel groups, regular elections, political pluralism, press freedom and guarantees of civil rights. But it has no stated sanctions for noncompliance and no clear sequence of how these measures are to be carried out, factors that may hamper the process.

One major issue the treaty does not cover is security concerns, such as Soviet military aid, that have divided the United States and Nic-

aragua. Such issues will almost certainly have to be negotiated in direct talks between Washington and Managua.

Another difficult issue the plan does not address is how to reduce the growing armies, weaponry and foreign military influence in the region. This issue is left to the Contadora group of negotiating nations, made up of Mexico, Colombia, Venezuela and Panama.

Another weakness in the plan is that it does not specifically call upon the governments of El Salvador, Nicaragua and Guatemala to enter into direct talks with the armed guerrillas opposing them, but only with unarmed opposition parties. Without direct talks with the armed opposition, the likelihood of negotiations to end guerrilla wars appears limited.

The Salvadoran guerrillas have repeatedly refused President José Napoleón Duarte's appeal that they give up their guns, form political parties, and run in elections.

A Nicaraguan rebel leader, Pe-

dro Joaquín Chamorro Jr., said on Saturday: "We aren't giving up our weapons unless there is an irreversible track to democracy in Nicaragua. I will return to Nicaragua when I can stand on television and say what I want about the nature of the state."

In fact, while the new accord appears likely to force changes in the way the Sandinistas govern Nicaragua, it appears unlikely to threaten their strong hold on power after eight years of domination. That is probably one reason why the Sandinistas signed the treaty.

The peace plan recognizes the legitimacy of the Sandinista government, calls for ending aid to the American-backed rebels, and makes no demand for the Sandinistas to reduce their armed forces, their ties to the Soviet bloc or the number of Cuban and Soviet advisers in Nicaragua.

It appears unlikely that even a significant democratic opening in Nicaragua would permit any opposition group to mount a major challenge to the Sandinista party. The political opposition is badly divided and weakened by years of police harassment, powerlessness and the departure into exile of hundreds of thousands of opponents of the Sandinistas.

But if the Sandinistas permit the restoration of a free press, free organization of political parties and political rallies, as well as a return of exiles and rebels seeking amnesty, they will have made a major shift in the way they exercise power.

Nicaragua could then conceivably enter a much more flexible and pluralistic period of political change, even if the Sandinistas remained in control.

If, however, the Sandinistas do not offer such a political opening, it is likely that Congress will support increased aid to the contras, and what failed to be decided last week at the negotiating table will again be contested on the battlefield.

Bus Plunges Into Canal In India, Killing Scores

The Associated Press

NEW DELHI — The police recovered 68 bodies of victims who died when a driverless bus plunged 90 feet (27 kilometers) into a canal in northern Uttar Pradesh state, the United News of India reported. As many as 100 people were feared dead in the accident, the police said.

According to an official report Saturday, the bus was overcrowded and the conductor and the driver got off after some passengers refused to leave. But the engine was left running, and as some passengers tried to scramble out, the gear lever was shifted, which sent the bus rolling into the canal on Friday.

STRIKE: South Africa Mines Shut

(Continued from Page 1)

by strikers against miners who wanted to keep working.

The statement reported three clashes, including one in which six miners were injured at the Vaals Reef mine, and said security officers had used tear gas and rubber bullets against "intimidators."

Union officials were instructed to begin strike balloting Monday at 12 other mines, which produce platinum, chrome, uranium and diamonds.

On Sunday night, security men at Anglovaal Ltd., which does not recognize the miners' union, fired rubber bullets to disperse an "unruly mob" at its Lorraine Gold Mine in the Orange Free State. The company said a miner was treated for a leg wound.

Mr. Golding said union members were holding a meeting at Lorraine when security men attacked them.

The union said Monday the only "tension point" was at Johannesburg Consolidated's Randfontein Estates gold mine, west of Johannesburg. It said that security personnel there had ordered miners to go to work at gunpoint.

The company denied the assertion, but conceded that mine operations were not "normal."

Mr. Golding said miners were evacuating hostels on mine property and were being taken to their homes to avoid violence. Black mineworkers live in hostels on

mine property and seldom see their families. Blacks do nearly all the underground work at mines, except blasting. The 26,000 white miners do supervisory and special jobs.

The strike is legal because the union declared a dispute over specific grievances, negotiated with management, reached a mutually agreed deadlock in July, took a vote of its members and was authorized to call a walkout.

Mining companies implemented 15-percent to 23.4-percent wage increases on July 1. The union is demanding 30-percent across-the-board increases.

The union says that black miners are paid an average \$172 a month, one-sixth the average white miner's wage, and blacks have an average annual leave of 14 to 18 days, compared to 35 days for whites.

Briton Jailed in Botswana

Stephen Henry Burnett, a Briton who claimed to be a British and South African agent, was jailed Monday for five years in Botswana for an attempt on the life of a white anti-apartheid activist, United Press International reported from Lobatse, Botswana.

Mr. Burnett, 30, held Ronnie Watson, a South African, at gunpoint in a hotel room in the Botswana capital, Gaborone, on May 24 and demanded that Mr. Watson identify Gaborone-based members of the African National Congress, the guerrilla organization that is outlawed in South Africa.

12 Hurt by Bomb Near U.S. Vehicle In Athens Suburb

Reuters

ATHENS — A bomb in a car bearing U.S. diplomatic license plates exploded Monday near a U.S. military personnel in the bus, the police said.

Two Greeks were injured in the attack, which occurred in the beach town of Voulas, an Athens suburb. A U.S. serviceman walking by was also hurt, a spokesman at the U.S. Embassy said. He said none of the injuries was serious. No one immediately claimed responsibility.

In Washington, U.S. officials said the nine injured Americans were air force personnel. The officials, who asked not to be identified, said information was still sketchy on the attack.

In late April a similar attack injured at least 17 persons, nine of them U.S. servicemen. Greece and the United States recently agreed to negotiate the renewal of an agreement on U.S. military bases opposed by many Greeks.

AUTHORS WANTED BY N.Y. PUBLISHER

Leading quality book publisher seeks manuscripts of all types, fiction, non-fiction, poetry, juvenile, scholarly and religious works, etc. New authors welcomed. Send for free booklet to: Vintage Press, 516 W. 34th St., New York, N.Y. 10001 U.S.A.

Save 40%

or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune.

Country/Currency	12 months (+2 months FREE)	6 months (+1 month FREE)	3 months (+2 weeks FREE)	You save per copy**	per year
Austria A.Sch.	4,800	2,600	1,450	A.Sch. 8.81	A.Sch. 3,207
Belgium B.Fr.	11,000	6,000	3,300	B.Fr. 19.78	B.Fr. 7,200
Denmark D.Kr.	2,500	1,400	770	D.Kr. 3.13	D.Kr. 1,139
Finland F.M.	1,730	950	520	F.M. 3.25	F.M. 1,183
France F.F.	1,500	820	450	F.F. 2.88	F.F. 1,048
Germany* D.M.	580	320	175	D.M. 1.11	D.M. 404
Gr. Britain £	130	72	40	£ 0.19	£ 69
Greece Dr.	22,000	12,000	6,600	Dr. 49.56	Dr. 18,040
Ireland £.Ir.	150	82	45	£.Ir. 0.29	£.Ir. 106
Italy Lire	380,000	210,000	115,000	Lire 756	Lire 275,200
Luxembourg L.Fr.	11,500	6,300	3,400	L.Fr. 18.41	L.Fr. 6,700
Netherlands Fl.	650	360	198	Fl. 1.21	Fl. 440
Norway* N.Kr.	1,800	990	540	N.Kr. 3.05	N.Kr. 1,110
Portugal Esc.	22,000	12,000	6,600	Esc. 64.56	Esc. 23,590
Spain* Ptas.	29,000	16,000	8,800	Ptas. 55.33	Ptas. 20,140
Sweden* S.Kr.	1,800	990	540	S.Kr. 3.05	S.Kr. 1,110
Switzerland S.Fr.	510	280	154	S.Fr. 1.10	S.Fr. 400
Rest of Europe, North Africa, former French Africa, Middle East \$	430	230	125	Varies by country	
Rest of Africa, Gulf States, Asia: \$	580	320	175		

*In these countries, hand delivery is available in major cities on publication date. For details and rates, please check here and fill in your address below. □

**Based on a one-year subscription. Offer valid through December 31, 1987 for new subscribers only.

INTERNATIONAL Herald Tribune

To: Subscription Manager, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: (1) 46379361. Tlx.: 612832

Please enter my subscription for:

☐ 12 months (+2 months free) ☐ 6 months (+1 month free) ☐ 3 months (+2 weeks free)

☐ My check is enclosed. ☐ Please charge my credit card account:

☐ Access ☐ One ☐ American Express ☐ Discover ☐ International ☐ Diners ☐ Eurocard ☐ Mastercard ☐ Visa

Card account number _____ Card expiry date _____ Signature _____

Name _____ Address _____ City/Country _____ 11-8-87

—Now— morning delivery for most readers!



هناك من الأخبار

ARTS / LEISURE

Picnics Are High Life at England's 'Glorious Indulgence'

By Francis X. Clines
New York Times Service

LEWES, England — "Picnics are all right for the small town suckers, but we're used to the high life, you know," Sportin' Life sang, prophesying the sunset tableaux that followed a short while later out on the pastoral grounds of the Glyndebourne estate as the privileged bearers of the single most coveted ticket of the English summer gathered for half-time picnics.

Never mind a seat at Wimbledon tennis, an invitation to a Buckingham Palace garden party, a ticket to "Phantom of the Opera" or a front-row loll at the international test match at Lord's Cricket Ground.

The scarcest single ticket in England is a seat in the small theater built onto the Glyndebourne manor house and, more particularly, at the acclaimed production of Gershwin's "Porgy and Bess" that re-opened for eight summer performances, all long since sold out, in what has been well-termed Glyndebourne's "glorious indulgence."

Some of the Glyndebourne audience could be seen making a daylight dash in evening clothes through Victoria Station in London for the 2:50 P.M. train here, 50 miles south in the Sussex countryside. They lugged hampers of delicate nibbles and repasts, disembarking in tuxedos and fur capes

past indifferent white sheep, placing their intermission Champagne to cool in the estate ponds and generally congratulating themselves for having the rare presence to wander the gardens and witness the opera blossoming on the 700-year-old estate.

Other opera buffs of humbler means, tuxedoed and gowned nevertheless, came in family cars, arriving by dint of thrift — tickets cost up to £50 each (about \$80) — and persistence. The waiting list is years long for membership, which then allows a lottery-governed chance for the limited tickets to the 73 evenings of six different productions this summer.

"We applied for membership in 1959 when we were engaged, and finally were accepted in 1966," said Priscilla Pote, who still had to wait a year to get tickets for this second and final cycle of "Porgy."

"But the box office people are always wonderful," she added, careful not to offend.

Derided when it was conceived 53 years ago, the Glyndebourne Festival Opera has come to prevail as perhaps the most exotic hybrid of England's social-show biz cynosures, one that can resist even black-market prices.

It combines the aesthetic frenzy of the opera fanatic, some of the verve of a Turner landscape and a decided touch of the class struggle

that Marx had in mind when he first puzzled out his dogma in English exile.

"Too many corporation guests and parties now," said one long-time Glyndebourne lover who recalled three decades back when the membership waiting list was only seven years long. "Sometimes they get tipsy at their picnics and tend to giggle in the second half."

This was hardly the case Thursday as the audience was riveted, then on its feet for a standing ovation for "Porgy," the performance bolstering the festival's reputation as a place of the highest standards where artists can invest weeks in rehearsals with some of the best directors and musicians of international opera.

But for George Christia, the Glyndebourne chairman, whose parents ingeniously converted the estate house into what is now a charitable trust, this is another summer of agonizing over the "voracious and relentless quest" for tickets.

And so he is considering providing another dipperful of room for the ocean of demands by adding 250 seats to the splendid 830-seat theater. "There is a point," he said, "when, if you can't respond to demand, you are at the risk of creating needless chagrin and disenchantment."

Perish that thought as Glyndebourne's happy few danced out onto the lawns for the 75-minute dinner break, humming Gershwin, popping Dom Perignon.

In the cool English evening after the final curtain, chauffeurs towed the portable tables and silver candlesticks and gowned guests disturbed the nearby sheep one more time with their limousine departures. Then it was that Damon Evans, the gifted, kinetic Juilliard School alumnus who plays Sportin' Life, emerged from Carlish Row to the Glyndebourne gardens for his reverential post-show stroll.

"It's my moment for expressing my own gratitude that I did one more performance here," said Evans, who has the problem all Americans have in trying to explain to people back home the special concatenation of the artistic, the pastoral and the indulgent that make Glyndebourne so unusual and so English.

He has had trouble getting enough tickets for his son, but he got one for his 80-year-old grandmother from Baltimore, who was talked into bringing an evening gown over, with her expecting to change at Glyndebourne. "I told her no, that's not the way it's done," Evans said. "You have to experience Glyndebourne in order to understand it."



At fresco dinners on the grounds of Glyndebourne, with the manor house and the theater's stage tower in the background.

Ariel Dorfman, the Chilean Writer, Protests Second Exile

By Bradley Graham
Washington Post Service

BUENOS AIRES — Ariel Dorfman, the Chilean writer who found himself exiled from his homeland for the second time last week, wonders what to call this painful throwback.

"Re-exile," he ventures. "It doesn't even exist in Spanish." "Re-exile," he says, inventing the Spanish word. He repeats the new word, seems satisfied with it, but still deeply troubled by the situation.

Banished from Chile in 1973, allowed to return a decade later, Dorfman was shockingly turned away at the Santiago airport Aug. 2 after a flight from the United States, where he spends much of his time.

"They've virtually created a new category," he fumes. "For the first time since 1982, when the process of letting exiles return to Chile began, a former exile has been denied entry. I'm very worried about this."

He hadn't expected it. As much as he distrusts the regime of General Augusto Pinochet, as much as he has campaigned against it — in novels and poetry, in media interviews, public debates and private



Ariel Dorfman

contacts — Dorfman figured that Chile's strongman would not dare move against him again. Not so, openly, anyway.

"I thought my notoriety would protect me," says the 45-year-old author, currently saying here in his

parents' apartment, hoping Chilean officials will reconsider. "I thought they would assume the costs would be so high for them that they would not try anything."

Following Pinochet's 1973 overthrow of the Marxist leader Salvador Allende, thousands of leftists, labor activists, lawyers, churchmen and others were ordered out of the country and branded as traitors or threats to national security. The government says the number of exiled persons reached 11,000; human-rights groups cite figures of up to 50,000.

Dorfman ended up in the diaspora. In October 1973 he took refuge in the Argentine embassy in Santiago after receiving threats against his life and seeing his books burned in the streets.

He came to Buenos Aires two months later. He had spent the first two years of his life in the Argentine capital, and another 10 years of his childhood in New York City. He settled in Chile in 1954 when his father, a United Nations staff economist, moved the family there. Ariel Dorfman was naturalized a Chilean citizen in 1967.

Exile took him to France for 2½ years, to Holland for four years and finally to the United States. He made a home in Durham, North Carolina, site of Duke University, where he teaches literature and politics as a visiting professor.

His wandering fed his art. Much of Dorfman's writing (three novels, including "The Last Song of Manuel Sendero," published this year by Viking, two short-story collections, one book of poetry, assorted essays and many journalistic pieces) examines the anguish of people forced to live outside their homelands — the pain of estrangement, of growing up in exile, of maintaining dignity under such emotionally punishing circumstances.

Told in August 1983 that he could return to Chile, Dorfman flew to Santiago two days later. In the months since, he has divided his time between there and the United States.

Thousands of other one-time exiles have flocked back to Chile over the past five years as the government has lifted bans against them. Last January, hoping to defuse the exile issue before the April visit of Pope John Paul II, Pinochet publicly committed his regime to a rapid

review of all remaining 3,500 exile cases.

The list is now down to about 520. But suddenly the government appears to be attaching strings. Dorfman regards the action against him as an ominous warning to all former or current exiles.

"Let's teach the exiles they have to watch their step" — at least that's how I interpret the measure," he says. "Pinochet has now essentially put all returnees on parole. He has created an air of constant uncertainty about their position."

Sergio Bitar, banished for more than a decade after serving as a minister in Allende's government, said in a telephone interview from Santiago, "What has happened to Ariel Dorfman has increased the sense of impotence and vulnerability we all feel."

Especially puzzling is the move's timing. With Pinochet now campaigning to be the sole candidate in a presidential plebiscite expected next year, the government has been promoting an image of normalcy and gradual transition to democracy.

"If Pinochet can't even eliminate exile after 14 years," said Bitar, "what can we expect from him in

any so-called transition? The answer is obvious: Nothing."

At Santiago's Fudabuel airport Dorfman was told that a decree dated Oct. 6, 1986, had been issued prohibiting his entry. Later that day, Dorfman and his son Joaquin, 8, boarded a plane to Buenos Aires. Another son, Rodrigo, 20, rode into Santiago, unrestricted by the order against his father.

Dorfman's wife Angelica had stayed in Durham. "She had had an intuition," the author says. "She said this was going to be a troubled trip and had decided to wait and meet us in Buenos Aires for my father's birthday."

Dorfman's father, Adolfo, turns 80 on Aug. 23. Before the party, Ariel Dorfman had hoped to spend several weeks in Chile. He had not been back since before the death there last year of Rodrigo Rojas, a 19-year-old Washington resident killed while on his first homeland visit. Rojas died of burns after witnesses saw police set fire to him and a companion during a day of anti-government demonstrations.

Dorfman had known Rojas, and through articles and television appearances, the author helped publi-

cize the teen-ager's death. He suspects this may have precipitated the exile decree.

Ironically, a Spanish language edition of Dorfman's novel "Widow" went on sale last week in Chile. The book tells of a mythical town where people discover the bodies of disappeared victims of state repression. Dorfman's renewed banishment has made the book an instant best seller. "If I had a royalty check, I'd give a share to the Chilean government for what they've done," he says, not really amused by the whole thing.

He is upset. He wants to be in Chile. "I gather my inspiration from there," he says. "I need to be in my country to replenish myself. Now I feel really cut off."

The thought that he could be denied entry as long as Pinochet remains in power haunts him. "You tend to think of living in exile as a transitory state and living in your country as the permanent one," he explains. "What the new decree has done is turn everything upside down. It makes any return to Chile transitory and says, in effect, we will always be in exile. We have become planets around the dark star of Pinochet."

Turning Around a Publisher

By Edwin McDowell
New York Times Service

NEW YORK — From the moment Nancy Evans was named president and publisher of the Doubleday Publishing Division last January, her appointment was the talk of the book industry. It still is. But now there is less talk about the wisdom of appointing someone with no book-publishing experience to one of the top jobs in the industry, and more about whether Evans can help Doubleday again become competitive with such concerns as Random House and Simon & Schuster.

That would be a challenge under any circumstances, but it is especially daunting in view of Doubleday's troubled past. In recent years its managerial ranks were wracked by turmoil and its editorial ranks depleted by the loss of a half-dozen longtime editors, some of whom were followed out the door by their writers. "It was like working for a new company every six months," lamented one editor who left for another house.

But last fall, the Bertelsmann Publishing Group of West Germany bought the family-owned Doubleday. Since then, in the opinion of people familiar with the industry, Bertelsmann, which also owns Bantam Books, has brought to the company not just an infusion of money but also much of the energy, direction and commitment that it lacked under its previous owner.

Bertelsmann quickly put its own stamp on Doubleday by naming Alberto Vitale, then the head of Bantam Books, as chief executive of the newly formed Bantam, Doubleday, Dell Publishing Group. He in turn started the industry by reaching outside its close-knit ranks for Evans, the editor in chief of the Book-of-the-Month Club. "My feeling is you need new blood in this industry to foster innovation and to keep us fresh and competitive," Vitale said recently. "Nancy brings both those qualities, as well as boundless energy."

Evans will need those qualities and more if Doubleday is to become an industry leader again. Although it is still too soon to judge her performance, it appears that after half a year she has made a good start with many people whose support is essential to publishing success, among them literary agents, who represent most big-name authors and most potential blockbuster books.

One agent who is impressed by the change at Doubleday, Connie Clausen, had not offered many books to the publisher in recent years. "Everything there just took too long — insultingly long," she

said. "But Nancy made it clear to me that those days are gone. And now that I see some of the new energy and enthusiasm, I can't wait to work with Doubleday again."

Jonathan Matson, an agent who recently completed a three-book hardcover-paperback contract with Doubleday and Bantam, is also impressed with the change. "It's like a fog has lifted at Doubleday," he said.

While Evans had not been a publisher before this year, she has been involved with books throughout her professional career. Before the Book-of-the-Month Club, she was Glamour magazine's book columnist for seven years and for four more years was responsible for the magazine's book serializations. She was also a co-host, with John Leonard and later with Walter Clemons, of "First Edition," the Book-of-the-Month Club's literary and book program on public television. And she is co-author with Judith Applebaum of "How to Get Happily Published," a knowing book about the industry of which she is now an important part.

Evans's task is not to sign up authors but to encourage and stimulate her editors to do so. They have acquired some promising

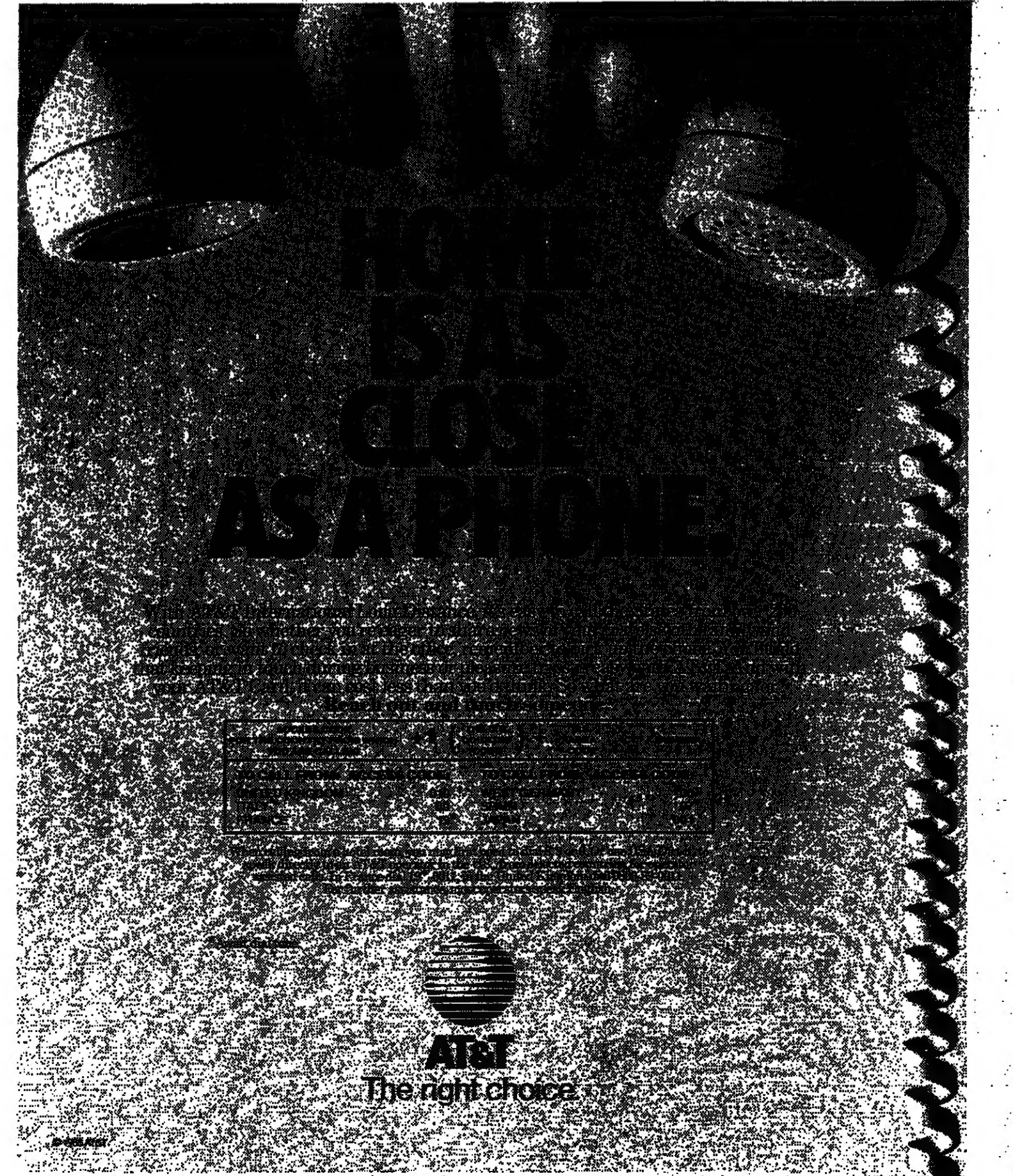
books and authors lately, including Han Suyin, author of "A Many Splendored Thing," and Carly Simon, who is writing an autobiography.

"I'm trying to encourage a publishing mentality, the idea that every book is important at every stage of the publication process," Evans said during a recent interview in her midtown Manhattan office. "It's important for our own people and outsiders to know that Doubleday is a publishing house again, committed to good books."

One sign of that commitment will soon be apparent in the improved appearance of Doubleday books. The facelift is meant to bring better quality jackets, paper, type and interior design on all Doubleday books rather than on just a fortunate few on each list. A less visible sign of that commitment involves better coordinating of publishing schedules.

That means building time into the publishing process for such things as getting the right jacket for a book," Evans said, "and getting it early enough so that sales reps can use it as a selling tool in the stores. It means if we're not ready to publish, we should postpone the book until we are."

DOONESBURY



هكمان الأهرام

NYSE Most Active					
Vol.	High	Low	Last	Chg.	
AT&T	24 1/2	24 1/2	24 1/2	+ 1/4	
IBM	123 1/2	123 1/2	123 1/2	+ 1/4	
GE	29 1/2	29 1/2	29 1/2	+ 1/4	
Merck	48 1/2	48 1/2	48 1/2	+ 1/4	
Amgen	21 1/2	21 1/2	21 1/2	+ 1/4	
Boeing	101 1/2	101 1/2	101 1/2	+ 1/4	
McDonald's	24 1/2	24 1/2	24 1/2	+ 1/4	
Wal-Mart	24 1/2	24 1/2	24 1/2	+ 1/4	
Target	24 1/2	24 1/2	24 1/2	+ 1/4	
Wendy's	24 1/2	24 1/2	24 1/2	+ 1/4	
Oldemark	24 1/2	24 1/2	24 1/2	+ 1/4	
GenCorp	24 1/2	24 1/2	24 1/2	+ 1/4	

Dow Jones Bond Averages			
	Close	Chg.	
Bonds	87.50	+0.05	
Utilities	87.50	+0.05	
High-Yield	87.50	+0.05	

Market Sales			
NYSE 4 a.m. volume	187,000,000		
NYSE prev. close	24,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		
NYSE prev. close	12,000,000		

NYSE Diary			
	Class	Prev.	
Advanced	114	88	
Declined	114	88	
Unchanged	114	88	
Total Issues	114	88	
New High	114	88	
New Low	114	88	

NYSE Index			
	High	Low	Close
Composite	187.14	187.14	187.14
Industrial	187.14	187.14	187.14
Transport	187.14	187.14	187.14
Utilities	187.14	187.14	187.14
Finance	187.14	187.14	187.14

Odd-Lot Trading in N.Y.			
	Buy	Sell	Net
Aug. 7	31,007	34,199	3,192
Aug. 8	32,494	40,823	8,329
Aug. 9	36,181	58,084	21,903
Aug. 10	38,228	58,644	20,416
Aug. 11	38,228	58,644	20,416

Monday's NYSE Closing			
	High	Low	Close
Composite	187.14	187.14	187.14
Industrial	187.14	187.14	187.14
Transport	187.14	187.14	187.14
Utilities	187.14	187.14	187.14
Finance	187.14	187.14	187.14

Dow Jones Averages			
	High	Low	Close
Industrial	187.14	187.14	187.14
Transport	187.14	187.14	187.14
Utilities	187.14	187.14	187.14
Finance	187.14	187.14	187.14
Composite	187.14	187.14	187.14

AMEX Diary			
	Class	Prev.	
Advanced	114	88	
Declined	114	88	
Unchanged	114	88	
Total Issues	114	88	
New High	114	88	
New Low	114	88	

Standard & Poor's Index			
	High	Low	Close
Composite	187.14	187.14	187.14
Industrial	187.14	187.14	187.14
Transport	187.14	187.14	187.14
Utilities	187.14	187.14	187.14
Finance	187.14	187.14	187.14

NASDAQ Index			
	High	Low	Close
Composite	187.14	187.14	187.14
Industrial	187.14	187.14	187.14
Transport	187.14	187.14	187.14
Utilities	187.14	187.14	187.14
Finance	187.14	187.14	187.14

NASDAQ Diary			
	Class	Prev.	
Advanced	114	88	
Declined	114	88	
Unchanged	114	88	
Total Issues	114	88	
New High	114	88	
New Low	114	88	

AMEX Most Active			
Vol.	High	Low	Last
AT&T	24 1/2	24 1/2	24 1/2
IBM	123 1/2	123 1/2	123 1/2
GE	29 1/2	29 1/2	29 1/2
Merck	48 1/2	48 1/2	48 1/2
Amgen	21 1/2	21 1/2	21 1/2
Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2
Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2
Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2
GenCorp	24 1/2	24 1/2	24 1/2

AMEX Stock Index			
	High	Low	Close
Composite	187.14	187.14	187.14
Industrial	187.14	187.14	187.14
Transport	187.14	187.14	187.14
Utilities	187.14	187.14	187.14
Finance	187.14	187.14	187.14

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Index Roars Past 2,600

NEW YORK — Prices on the New York Stock Exchange soared Monday in a rally led by blue chips that sent the Dow Jones industrial average to its first close above the 2,600 level.

Analysts said no specific news events sparked the upsurge, saying instead that it appeared the market simply climbed on the same momentum that has been driving it ever higher in recent weeks. But the momentum was especially fueled by foreign money and some computerized program trading.

The Dow jumped 43.84 points to 2,635.84, after gaining 19.93 points last week. The widely watched index briefly edged past 2,600 on Friday afternoon. Advancing issues outpaced declining ones by 5 to 2, and volume totaled 187.20 million shares, down from 212.66 million on Friday.

Traders were especially encouraged when they saw that the market refused to follow a decline of prices on the bond market, analysts said.

A rally on the Japanese stock market may have helped, said Jim Engle, who watches the market for the Newirth Fund, because that would encourage Japanese investors to put money into U.S. securities as well.

Charles Jensen, a technical analyst at MKI Securities Corp., noted that the most dramatic gains were made among blue-chip stocks, while the rest of the market did not fare as well.

This would also show that foreign money was driving the rally, he said, since foreign investors have tended to concentrate on the highly capitalized issues.

Mr. Jensen also said better-than-expected earnings reports were also encouraging investors.

It appeared there were some "mini-buy programs around lunchtime," said Dennis Jarrett of Kidder Peabody & Co. "But that's not what is driving this market. You just can't fight the momentum. It refuses to rest."

He said that some people who were waiting "for a correction came diving into the pool."

Word that a Texaco oil tanker had hit a mine in the Gulf of Oman also failed to cause a stir in the market, which has been showing diminished sensitivity to events in the Gulf since the middle of last week.

After a brisk early start that sent the Dow index up nearly 12 points, buying had faded throughout the morning mainly because of sales from investors who react to historical price trends, analysts said.

However, Mr. Goldman cautioned, with momentum driving the market as opposed to economic fundamentals "a wise approach would be to cancel vacation plans and stay close to the market. It is not a time to throw caution to the wind."

Nonetheless, Trude Latimer of Josephthal & Co. said, "There may be an occasional downturn, but it is easily absorbed. Prices are very firm."

IBM, a Dow index component stock that is traditionally affected by program trades, gained 2 1/2 to 166 1/2. Digital Equipment rose 4 1/2 to 175, Honeywell 1 1/2 to 89 1/2 and Hewlett-Packard 1 1/2 to 67 1/2.

A									
12-Month	High	Low	Open	Close	Chg.	12-Month	High	Low	Open
AT&T	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	IBM	123 1/2	123 1/2	123 1/2
GE	29 1/2	29 1/2	29 1/2	29 1/2	+ 1/4	Merck	48 1/2	48 1/2	48 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24 1/2	24 1/2
Oldemark	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	GenCorp	24 1/2	24 1/2	24 1/2
Amgen	21 1/2	21 1/2	21 1/2	21 1/2	+ 1/4	Boeing	101 1/2	101 1/2	101 1/2
McDonald's	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wal-Mart	24 1/2	24 1/2	24 1/2
Target	24 1/2	24 1/2	24 1/2	24 1/2	+ 1/4	Wendy's	24 1/2	24	

INTERNATIONAL STOCK MARKETS

Foreigners Slow to Buy
Options on Swedish Shares

By JURIS KAZA

Special to the Herald Tribune

STOCKHOLM — Sweden opened trading in stock options and stock market index options to foreigners on Aug. 3, and so far, interest from abroad in the instruments has been limited. Nonetheless, analysts believe foreign use of Swedish options will grow during the autumn as major Swedish banks and brokerages begin to market the products abroad.

These options to buy and sell stocks and market index values, at a fixed price in a specified period, are used to speculate on share price movements or protect the value of stock portfolios. They are traded between banks and brokerages electronically rather than on the Stockholm Bourse.

Mikael Stenbom, vice president for marketing and communications for Optionsmaelarna, the single largest options broker in Sweden, estimates that foreigners accounted for around 10 percent of the company's business last week, when an average 25,000 index contracts and 11,500 stock options were traded daily.

But Mr. Stenbom cautioned that his estimate was based on guesswork, since all of Optionsmaelarna's customers are, formally, Swedish banks and securities brokers that are acting for investors. Known as OM, the brokerage house claims about 85 percent of the Swedish options market, with the rest held by the Stockholm Options and Futures Exchange, another privately owned company.

"Foreign interest is lukewarm; I haven't seen it," said Haakan Holmberg, a senior trader at Consensus Fonderkommission, a Stockholm brokerage specializing in institutional customers. "The introduction of index and share options will generate a lot more interest in the market in the long-term view," said Tim Youngman, an analyst at London's Savory Milin Ltd. "You can now hedge the risk on the underlying volatility of the stock, and that's the second leg of any portfolio."

One Stockholm trader, who did not want to be named, predicted that foreign interest would increase noticeably in coming months. He pointed out that stock options were available on the most internationally popular shares, and that OM's index options broadly covered shares found in most foreign institutional portfolios.

OM's SO-CALLED OMX index options are based on 30 widely traded stocks, with the underlying value a share in a mutual fund should delivery be required. Options are also an indirect way for foreigners to invest in so-called restricted shares, which can only be owned by Swedish residents, Mr. Stenbom said. For many Swedish companies, the majority of voting shares and, generally, the majority of share capital, consists of restricted stock.

"The British and American markets are the biggest" purchasers of options, Mr. Stenbom noted, "but the Nordic countries, Switzerland and Germany are also interested."

Mr. Holmberg of Consensus, however, was cautious about forecasting a major foreign rush for Swedish options. "Of course, it would seem natural to use these hedging possibilities, because the Swedish institutions are doing it all the time," he remarked. "But the share of Swedish stocks in a foreign portfolio is so small that setting up a sophisticated hedge, which is possible, would be overdoing it."

Still, Mr. Holmberg says that his company plans to market option products abroad, and so do others.

Nigel Yaddell, an analyst at Enskilda Securities, the London affiliate of Skandinaviska Enskilda Bank, Sweden's largest commercial bank, said the parent bank has already outlined the new market to London investors. "The response is quite positive," he said. "Now, we are starting to put out research reports on options for our customers."

The Enskilda analyst stressed that "people in London who manage European equities are not predisposed to speculate in options, but to protect their investments."

Overseas interest is expected to rise with a marketing push by Swedish firms.

Goodyear
Sells Unit
To Exxon

Oil Firm Priced
At \$650 Million

Reuters

AKRON, Ohio — Goodyear Tire & Rubber Co. said Monday it had agreed to sell its Celoron Oil & Gas Co. to Exxon Corp. for \$650 million to reduce debt incurred in fighting off last year's takeover bid by Sir James Goldsmith, the British-French financier.

Celoron's holdings in California and adjacent state and federal waters will add more than 100 million barrels of oil to the reserves of the world's largest oil company.

Goodyear bought Celoron Corp. the parent of Celoron Oil & Gas, in 1983 through an \$825 million stock swap.

Goodyear shares rose \$2.50 to \$75.75 a share on the New York Stock Exchange. Exxon climbed \$2.875 to \$98.25.

Goodyear, the top U.S. tire maker, said in early November that it would sell Celoron to help finance its defensive restructuring. Sir James built up an 11.5 percent stake in Goodyear and later made a \$4.7 billion bid for the company.

Goodyear last November took on \$2.4 billion in debt to buy back about half of its outstanding shares, including Sir James's stake for \$619 million.

To reduce the debt burden, the company started selling assets, including its aerospace operation, its motorwheel manufacturing unit and some Arizona real estate.

With the Celoron sale, analysts said the company is shedding a costly asset that had depressed its stock price and led to takeover speculation. But other assets, mainly a California-Texas pipeline system valued at more than \$1 billion, remain to be sold before the company's finances are back in order, they added.

Goodyear, which based in Akron, Ohio, reported last month that profit for the first half of the year rose sharply to \$425.2 million from \$34.6 million a year earlier.

Goodyear attributed its sharp first-quarter rise to asset sales.

Randall Meyer, president of Exxon Co. U.S.A., said that with the Celoron purchase, Exxon will have spent more than \$1.5 billion since early 1984 to buy more than 300 million barrels of domestic oil and gas reserves.



A Degussa chemical complex near Cologne. At left, Gert Becker, Degussa's managing board chairman.

Degussa Trims Dependence on Gold
Chairman Puts More Emphasis on Pharmaceuticals

By Ferdinand Prottmann

International Herald Tribune

FRANKFURT — In West Germany's staid corporate world, where chief executives often behave more like emperors than businessmen, Gert Becker, the head of the precious metals and chemicals corporation Degussa AG, comes across as easy-going.

Where some corporate heads are surrounded by phalanxes of subordinates and an air of rigid formality, Mr. Becker is relaxed and low-key.

His unpretentious corner office in Degussa's new headquarters is guarded by a solitary secretary. The office features a panoramic view of the Main River cutting through central Frankfurt.

Those atypical qualities, combined with the acumen and market instincts Mr. Becker developed as a precious metals trader for Degussa, are helping him transform the company from a slow-moving metals, chemicals and pharmaceutical concern, into what he calls a "leaner, more flexible, more market-sensitive company."

For Degussa, that represents a big change. Over the years, the company's name has become synonymous in West Germany with precious metals. Stock analysts traditionally use the gold price to project Degussa's earnings. The formula is simple: higher gold prices, higher profits; lower gold prices, lower profits.

But since Mr. Becker became managing board chairman in 1977, he has moved the company away from dependence on precious metals.

The company's acquisition of French pharmaceuticals concern Laboratoires Sarget SA for an estimated 300 million Deutsche marks (\$158.73 million) in June, is seen by analysts as a turning point in Degussa's efforts to expand into specialized, technologically oriented businesses.

"I wouldn't call it a turning point, but a significant leap forward," Mr. Becker said.

"This introduces a phase where our growth will accelerate, while our wide base is maintained," he

See DEGUSSA, Page 13

Numbers Show It, and Shoppers Do Too: Britain Loves Imports

By Warren Geller

International Herald Tribune

LONDON — When Britain's Department of Industry and Trade reported on the nation's June trade balance Tuesday, the data are likely to underscore a trend that has set off alarm bells among economists and regulators here: Britons, flush with so-called "purchasing power," are buying imported goods like there is no tomorrow.

Economists here expect Britain to report a £100 million (about \$157 million) to £200 million deficit in the nation's current account, the broadest measure of trade performance, for the month of June, following a mammoth £561 million deficit in May.

For the year, expectations are for a deficit of between £1.5 billion and £2 billion, which is likely to grow to as much as £3 billion or more in 1988.

In the April-June quarter of this year, retail sales in Britain were 6 percent higher than a year earlier, and much of that increase has flowed into purchases of imports, economists note.

"The pace of demand in the economy, including the spending in the shops, is unhelpful, because it is sucking in imports," said Bill Martin, chief U.K. economist with Phillips & Drew, the London brokerage. "The problem is made doubly difficult because British industry is short of capacity to supply the ex-

tra demand, so if British companies can't supply demand, the foreigners will."

Such developments have left the Bank of England concerned. Last week, in an effort to cool a potentially overheating economy, the central bank decided to hike interest rates a full percentage point.

The new productivity here to buy foreign is impossible to quantify. But a walk through Oxford Circus, Britain's busiest shopping corner, and down Oxford Street can be illustrative.

There, crowds bustle in and out of shops to shop for Italian and Swiss shoes, Dutch and Japanese electronics and French jewelry. At the Benetton boutique, the Italian fashion giant's largest European outlet, executives say that sales are up 30 percent this year.

"Some of our stores here in London have increased sales by 50-55 percent, and we're expecting an even greater increase in the fall-winter season," said Suzanne Huthbert, head of retail operations for Benetton Retail Ltd. "While some of that increase reflects the tourist boom, much of it has to do with new spending habits of the British."

Jean Catron, who had taken her 21-year-old daughter Hilary to Benetton to shop for her birthday, said: "We're seeing lots of import-



Harrod's department store in London.

ed stuff these days. The English stuff is high-priced; that's because lots of English want to earn lots of money, but they don't want to put in the hours."

Hot items on the "fashionable" import list here are Rock-Watches by Tissot, the Swiss manufacturer. The watch, which has a granite face, sells for £135.

"The Rock-Watch is very new to Britain, only two months on the

market," said Gary Worley, a manager with Carrington, a watch retailer.

The Gap, the big U.S.-based casual-wear retailer, recently opened four stores in London this year.

D.H. Bowen, group marketing director for Bally Group UK, the British subsidiary of the Swiss shoe manufacturer, said that his sales are up 15 percent this year in the first seven months.

Currency Rates

Cross Rates	Aug. 10
Australian dollar	1.5275
Belgian franc	36.36
British pound	1.5275
Canadian dollar	1.2710
DM	1.7810
French franc	6.55
Italian lira	2036.27
Japanese yen	163.60
Swiss franc	1.4836
West German mark	1.7810
Yen	163.60

Other Dollar Values	Aug. 10
Canada	1.2710
France	6.55
Germany	1.7810
Italy	2036.27
Japan	163.60
Switzerland	1.4836
UK	1.5275

Sources: Reuters, Bank of Tokyo, Commercial Union Bank, Deutsche Bank, etc.

Interest Rates

Key Money Rates	Aug. 10
1 month	5.75%
3 months	5.75%
6 months	5.75%
1 year	5.75%

U.S. Money Market Funds	Aug. 10
1 month	5.75%
3 months	5.75%
6 months	5.75%
1 year	5.75%

Gold	Aug. 10
1 ounce	\$350.00
100 ounces	\$35,000.00

Other Interest Rates	Aug. 10
1 month	5.75%
3 months	5.75%
6 months	5.75%
1 year	5.75%

Sources: Reuters, Bank of Tokyo, Commercial Union Bank, Deutsche Bank, etc.

U.K. Wholesale Prices Rise 0.2%

Reuters

LONDON — The increase in British wholesale prices slowed to 0.2 percent in July from a revised 1.2 percent increase in June, the Department of Trade and Industry said Monday.

The provisional figures, which are not seasonally adjusted, showed that these prices for food and raw materials rose at a year-on-year rate of 8.3 percent, up from a revised 4.3 percent June increase.

The department said the rise in manufacturers' costs last month was mainly due to a rise in the price of metals and petroleum products. However, this increase was offset by a drop in food manufacturing.

The size of the annual rise was at the low end of some analysts' expectations, and helped to calm the inflation worries sweeping through

the British financial markets following the surprise 1 percentage point jump in base lending rates Thursday to 10 percent. The figures were the first in a sequence of major economic indicators due this week.

"What we've seen today" on the wholesale prices "was welcome, but the crunch comes tomorrow with the trade figures" for June, one dealer commented.

The news helped lift shares prices on the London Stock Exchange off their lows. The Financial Times-Stock Exchange index of 100 leading shares cut its loss to 1.9 points shortly after the news to stand at 2,224.5, after an opening low of 2,203.5. It later finished 18 points higher on the day at 2,242.20. The index had plunged 91.2 points

to Friday's close following the interest rate rise.

In the British government bond market, the benchmark 11.75 percent bonds due 2003/07 gained 12/32 percentage point on the news, reversing a similar decline to stand at 113 24/32, unchanged from Friday's finish. At the closed down 1/16th of point at 113 22/32.

In other British economic news, the volume of retail sales rose a final, seasonally-adjusted 3.2 percent in June after rising 3.5 percent in May, the Department of Trade and Industry said.

The department also said the level of credit advanced by finance houses, building societies, retailers, bank credit card companies and other specialist lenders rose by £400 million in June, after climbing £300 million in May.

CONFERENCE

INTERNATIONAL FINANCIAL INNOVATIONS

Palace Hotel, Bürgenstock (Switzerland)
23rd - 25th September 1987

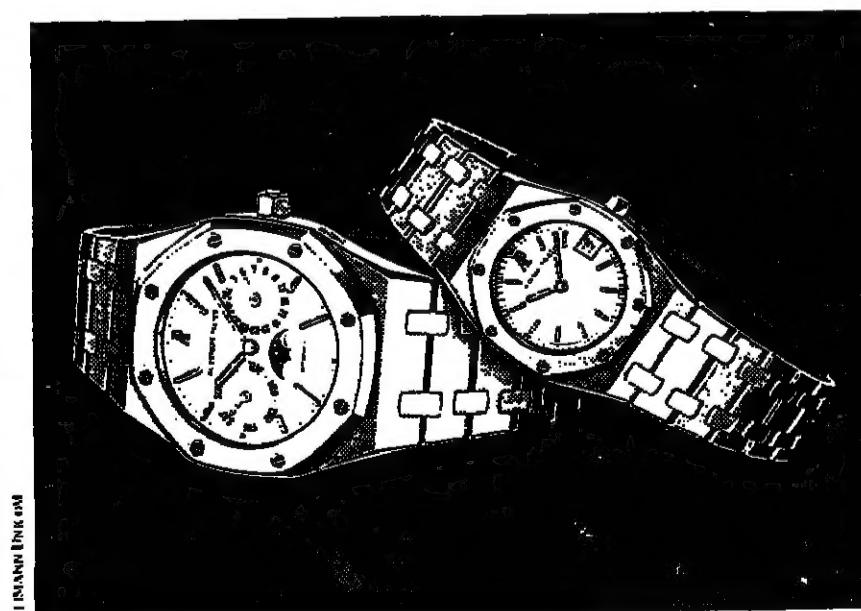
- Innovative Financial Management
- Hybrid Bonds
- Options and Futures
- New Trends and Opportunities in International Equity-linked Instruments
- The Dual-Currency Formula
- Optimizing Portfolio Performance with Financial Innovations
- Asset backed Securities
- New Developments in Euro CP- and MTN-Market
- The future for Financial Innovations and others

A new seminar on the opportunities and possibilities of international financial innovations with experts from major organizations worldwide.

Speakers (among others): G. Bruckermann, Deutsche Bank
O. Ebihara, Mitsubishi Corp. Finance
W. Fischer, Salomon Brothers
J. Ford, Bankers Trust
Dr. U. Grete, UBS
M. Hafner, Merrill Lynch
H. Hayashi, Daiwa
J. Hoyle, Citicorp
D.N. Regalati, Nestlé
H. Sanner, Bank Julius Bär.

Further information and programs available at:
Zentrum für Unternehmensführung AG
(Management Center ZFU)
Schulstrasse 7 - CH-8802 Kilchberg-Zürich.
Tel.: (01) 715 36 15; Telex: 57 458; Fax: 715 38 56.

THE ROYAL OAK.
ONE OF THE GREATEST DESIGNS
OF THE 20 TH CENTURY.



Audemars Piguet
La plus prestigieuse des signatures.

Audemars Piguet - CH S.A., 1349 Le Brassus, Switzerland

BUSINESS ROUNDUP

Eaton Reportedly Readies Sell-Off

WASHINGTON — Eaton Corp., builder of the defensive electronics for the U.S. Air Force's troubled B-1 bomber, has put most of its defense operations on the market for \$1.1 billion, according to company executives.

The executives, who asked not to be named, said talks had already been held with Boeing Co., but the Seattle-based company had said the price was too high.

Talks are under way with TRW Inc., the officials said.

Spokesmen for Boeing and TRW would not comment, citing company policies against confirming or denying details of acquisitions.

The Eaton sources said the company's move was prompted by poor market prospects for electronic warfare gear once the B-1 is completed, coupled with deteriorating relations with the air force.

A company spokesman refused to comment on whether a sale was being pursued, but said, "We're in the process of building a long-term relationship with the air force."

He added, "Prospects are good for our defense business."

But sources in the company described this as "nonsense" and said relations with the air force "couldn't be worse" because of overall problems with the B-1.

Among Eaton operations slated for sale, the officials said, is the company's AIL (Airborne Instruments Laboratories) Division, which builds the system that would be used to counter Soviet air defenses and allow the B-1 to reach targets in the Soviet interior.

Other divisions that would be sold, they said, include electronic warfare production facilities based in Long Island, New York, and Westlake, California.

Eaton was the 20th-largest U.S. defense contractor in 1986, with earnings from its military equipment sales totaling \$105 billion, according to the company.

The publicly owned company also manufactures commercial electronics, machine parts and truck axles.

The company sources argued that the air force, which is the prime contractor for the B-1, has "mismanaged" testing of the low-flying bomber and made it difficult for Eaton to fit its computerized equipment to the plane's requirements.

The air force has denied the allegation.

A spokesman for Rockwell International Corp., which builds parts of the B-1 fuselage and is the major civilian contractor, said that he did not understand Eaton's rationale in wanting to sell its defense divisions.

While Eaton's systems are unlikely to equip upgrades for U.S. advanced fighter planes in the next decade, there is "plenty out there" in terms of missile systems and other advanced military electronic programs, the spokesman said.

Phillips Petroleum Prepares To Raise Ekofisk Platforms

OSLO — Phillips Petroleum, operator of Norway's Ekofisk oil field, has shut down the field to prepare for the second phase of its operation to raise several drilling platforms out of reach of North Sea storm waves.

"We started shutting down production during the night and plan to start jacking up the first of the remaining five platforms by the 16th," said Sunday, a Phillips spokesman said Monday.

The \$600 million project involves cutting the platforms' steel legs, raising their decks with huge hydraulic jacks, and bolting in place extensions nearly 20 feet (6 meters) long. Last month, Phillips raised the field complex's hotel platform using the same method.

The final four of the five platforms in the new operation must be lifted simultaneously to avoid having to cut a maze of interconnecting catwalks and production lines.

Production at the nearby oil fields, which feed into the Ekofisk pipeline that runs to Britain, have also been shut down for the 23-day scheduled operation, the spokesman said.

Shutting down the three fields will cut about 290,000 barrels of crude per day from Norway's output of 1 million barrels per day, and halt gas deliveries to continental Europe through the Ekofisk pipeline to Emden, West Germany.

Citicorp Gives Up Battle To Field Own Credit Card

By Kathleen Day
Washington Post Staff Writer

WASHINGTON — Citicorp, conceding defeat in a multimillion-dollar bid to develop its own brand-name charge card, will convert its Choice credit card to a Visa card on Sept. 1.

The inability of a company the size of Citicorp, which has \$191.4 billion in assets, to succeed with a proprietary credit card operation raises questions about the viability of such cards among institutions competing nationwide for consumer banking business. Converting the card to Visa is an admission that the idea was not catching on fast enough to make it profitable.

The change means that Citicorp's approximately 1 million Choice card holders must start paying an annual fee of \$20 for the converted card, and will no longer be offered rebates on purchases made with the card. The increased costs will be offset in part by lower interest-rate charges, which will cut 4.2 percentage points, to 16.8 percent.

Rebates and lack of an annual fee were key selling points of Choice, which had an annual interest rate of 21 percent.

Failure of the Choice card experiment has wider significance in the increasingly competitive arena of financial services, where Citicorp butts heads not just with banks, but with retailers such as Sears, Roebuck & Co. and securities firms such as Merrill Lynch.

BofA's Ex-President Joins Merrill Lynch

Compiled by Our Staff From Dispatches

Samuel H. Armacost, former president of BankAmerica Corp., is joining Merrill Lynch & Co. as an investment banker in its San Francisco office.

Mr. Armacost will become a managing partner involved in working with large corporations and industrial clients, according to Barry Friedberg, Merrill Lynch's managing director in charge of investment banking.

Mr. Armacost, 48, resigned under pressure as president and chief executive officer of BankAmerica last October, after the bank had suffered two years of losses and shortly after it received an unwelcome takeover bid from Los Angeles-based First Interstate Bancorp.

Mr. Friedberg said that Merrill Lynch approached Mr. Armacost soon after he left the bank. Mr. Armacost had expressed an interest in a new job that would "build on his experience" but did not necessarily have to involve management, and wished to stay in the San Francisco area, Mr. Friedberg added.

Merrill Lynch already has two managing directors in investment banking in San Francisco, as well as 12 other investment bankers. But Mr. Armacost, with his extensive contacts in the Bay area, is expected to help the Wall Street firm increase its presence there.

He might also be used in other areas as well. "He has broad domestic and international experience and we intend to take advantage of all of that," Mr. Friedberg said.

Robert Guccione Jr., son of the founder and publisher of Penthouse magazine, has announced plans to continue publishing Spin magazine, the pop music monthly, after Penthouse International Ltd. said Spin would cease publication.

The younger Guccione, editor and publisher of Spin, said a feud with Robert Guccione Sr. over the ownership of the two-year-old magazine had led them to abruptly end their professional relationship. "It was purely my father's desire to have Penthouse own everything associated with it," Mr. Guccione said. "He thought that, under his roof, there should be only one boss. And I thought that that would compromise the magazine."

The younger Guccione, who is 31, is seeking to raise about \$3 million to keep the magazine afloat.

Anne Flannery, the 35-year-old head of the enforcement division for the Securities and Exchange Commission's New York office, has resigned to go into private law practice. Ms. Flannery said she was making the move "because it was

Mellon VP Seeks To Cut Costs by Cutting His Job

The Associated Press

PITTSBURGH — A vice president of Mellon Bank Corp. has offered to resign to help cut expenses after the bank's first-half loss of \$626 million.

"Considering the cuts required, my limited management responsibilities and my own uneasiness, I feel the logical place to begin cutting is at the top," the executive, Dennis C. Eisenreich, said in a memorandum sent to 150 employees of Mellon's small business division.

"It's not easy to question the value of one's own job, but difficult times force difficult decisions," he wrote.

Mellon's chairman, Frank V. Cahouet, asked department heads last month to identify jobs that could be eliminated to cut costs. The bank has blamed its first-half loss on problem loans in its foreign, energy, real estate and steel portfolios.

It's time for a bridge. HERMES THE BRIDGE

Firm Buys International Unit Of Beatrice for \$985 Million

New York Times Service

NEW YORK — The TFC Group, a New York investment firm, has agreed to buy Beatrice International Food Co. from the parent of Beatrice Cos. for \$985 million, TFC officials said.

Beatrice's international food unit, based in Chicago, comprises 64 companies in 31 countries. It reported \$2.5 billion in sales last year and operating income of \$147 million. The company manufactures confectioneries, snacks, processed meats, beverages and other food products and is engaged in wholesale and retail distribution of food and household products.

TFC will own 55 percent of the business. Drexel Burnham Lambert Inc., which is providing financing for the leveraged buyout, will own most of the balance, a Drexel official said. In a leveraged buyout, a company's cash flow is used to repay the debt taken on to finance its purchase.

The deal with BCI Holdings, the parent of Beatrice, was seen as a coup for Reginald F. Lewis, chairman of TFC. In three years, TFC has grown from an investment group with \$1 million in equity to

majority owner of one of the largest international food businesses.

TFC Group said it had agreed to sell the company's Beatrice Foods Canada Ltd., one of Canada's leading diversified dairy and food products companies, for about \$230 million. That deal would also be structured as a leveraged buyout by Onex Corp., a large Canadian investment group, and the management of Beatrice Canada. TFC will retain a 20 percent interest.

Mr. Lewis's group said it planned to sell other units of Beatrice International Food, possibly those in South America and Australia. TFC said it would retain Beatrice's core businesses in Europe, which last year accounted for \$1.7 billion in sales and \$98 million, or about 67 percent, of the company's operating earnings.

Completion of the sale, which TFC and Drexel said was expected by Oct. 1, requires the approval of the U.S. government.

BCI Holdings will use the proceeds from the sale to reduce the debt it incurred last year from its acquisition of Beatrice Cos., which went private in a \$6.2 billion leveraged buyout organized by Kohlberg, Kravis, Roberts & Co.

Telecom Consortium to Seek Japan License

Agence France-Press

TOKYO — A Japanese-British-U.S. consortium said Monday it had decided to seek a business license in a bid to enter Japan's international telecommunications market.

The decision by International Digital Communications Planning Co. comes a week after the failure of merger talks with a rival Japanese group, International Telecom Japan Inc., which also opted to seek its own license.

The talks failed after ITJ rejected a proposal by IDC that the merged

company lay a trans-Pacific cable as its first project.

IDC made its decision at a meeting of shareholders, which include British Cable & Wireless PLC, which has a 20 percent stake, Pacific Telesis International of the United States, which owns 10 percent, and C. Itoh & Co., a major Japanese trading house, 20 percent.

IDC and ITJ are the first companies to challenge Kokusai Den Shin Den Co.'s monopoly in Japan's international telecommunications market, which was opened to competition in April 1985.

ITJ is a consortium of 55 Japanese companies, including Sumitomo Corp. and Mitsubishi Corp.

The Japanese government had urged IDC and ITJ to merge, but said last month it would accept applications by both groups.

Fujitsu Reports Link-Up

Fujitsu Ltd. said Monday it will sign an agreement with Japan ENS Corp., in which American Telephone & Telegraph Co. has a 50 percent share, to provide international network services in Japan. Reuters reported from Tokyo.

Hospital Group In U.S. Files For Chapter 11

Reuters

DALLAS — American Healthcare Management, a major hospital holding company, said Monday that it has filed for reorganization under Chapter 11 of the U.S. bankruptcy laws.

The company said the filing would not affect hospitals operated by its subsidiaries because they are not obligated for the parent company's debt. Under a Chapter 11 filing, a company is given court protection from its creditors.

The company said the failure of the government to meet commitments for funding health care has caused problems for the entire industry.

American Healthcare said the parent company was forced to reorganize its finances because it could not reach agreement with its bank lenders on restructuring its \$250 million credit facility. The company said it had requested a more flexible payment schedule.

ASEA: Brown, Boveri Tie-Up to Create World Leader

(Continued from Page 1)

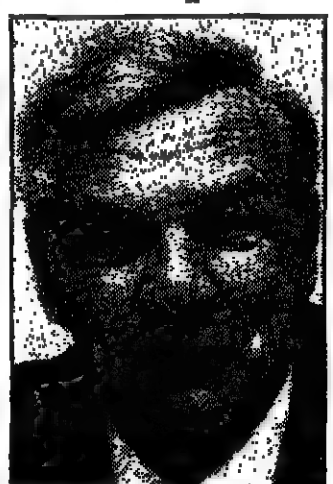
bine two research-intensive companies with competing products but complementary markets.

He emphasized the importance of gaining a foothold in the difficult West German market where Brown, Boveri has its single largest subsidiary, accounting for around 40 percent of group sales and 40,000 employees out of its total 50,000 in the European Community.

On the research and development side, the Swedish executive said the combined group would have a budget equal to \$1 billion kroner and 12,000 full-time researchers.

Analysts were surprised by the announcement. "My initial impression is positive," said Gerald Nordberg, president of Reinheimer, Nordberg, a New York brokerage specializing in Scandinavian shares. "ASEA as currently constituted has reached what could be perceived as an optimum earnings situation."

ASEA's pretax earnings in 1986 totaled 2.5 billion kroner, compared to 2.47 billion kroner in 1985. Together with the merger an-



Fritz Leutwiler

ouncement, ASEA also unexpectedly released preliminary six-month results showing that first-half earnings fell to 1.1 billion kroner from 1.3 billion kroner a year earlier. ASEA said full-year earnings would match the 1986 figure.

In New York, Mr. Nordberg said that of the two partners, Brown,

Boveri was less profitable and in many ways similar to ASEA in the early 1980s, when Mr. Barnevik took over as president.

Brown, Boveri had 1986 net earnings of \$6 million francs, down 11.9 percent from 1985, on slightly lower sales of 13.8 billion francs. Its 1986 pretax earnings, comparable to this most-common Swedish measure of profitability, were 213 million francs.

ASEA's board chairman, Curt Nicolin, said developments leading up to the merger had started in May, when both companies discussed various, but isolated, areas for industrial cooperation.

He related that at a lunch on June 25, Fritz Leutwiler, Brown, Boveri's chairman, "seemed to be hinting at this, and I asked him whether he meant a complete merger, and he said this was a subject we could discuss."

In Sweden, ASEA said it would retain exclusive control of its Haeggund & Soener subsidiary, which makes military vehicles, as well as major share holdings in Electrolux, SIDA (the Swedish holding company for Scandinavian Airlines System), the ESAB welding group and a power utility.

Despite Earnings Slump, Analysts Are Optimistic on Procter

Reuters

NEW YORK — Procter & Gamble Co., the giant U.S. consumer products company, posted Monday a net loss of \$324 million, or the last quarter, but analysts said they expected the company's earnings to grow by around 20 percent in the current year.

The company's loss, amounting to \$1.95 a share, in the fourth reporting period, compared to a loss of \$127 million, or 74 cents a share, a year earlier.

Last year, the company reported a profit of \$327 million, or \$1.87 a share, 54 percent of the profit of \$709 million the previous year. Revenue was up 10 percent to \$17 billion, from \$15.44 billion.

However, Hercules Segalas, senior vice president for Drexel Burnham Lambert, said that in the year ending June 30, 1988 "we'll see a rapid

escalation in Procter & Gamble profit margins, based on their restructuring and some of the investment spending they've done."

On June 11, Procter & Gamble said it would take a restructuring charge of \$435 million after tax. Without that charge, net earnings for the fiscal year would have amounted to \$786 million, nearly 11 percent up from the previous year.

As part of the restructuring, Procter said it would close some older detergent sites and several oil and shortening plants, and write off part of its unprofitable cookie business.

Analysts' estimates for fiscal 1988 earnings range from about \$3.65 a share to \$6.10 a share. That would compare with \$4.59 a share, excluding the effects of the restructuring, in fiscal 1987, and \$4.20 the previous year.

Analysts base their optimism on lower tax rates, improved margins, higher pricing for certain products and reduced depreciation charges as a result of the restructuring.

"The restructuring should have a dramatic effect on margins," Mr. Segalas said.

Also, Procter & Gamble's lower tax rate this year, estimated at about 38 percent against 40 percent for fiscal 1987, could add about 50 cents a share to earnings, analysts said.

But their optimism is tempered by concern over the diaper and detergent businesses.

Procter has seen its market share in diapers slip to about 50 percent of the market from 73 percent and in detergents to about 48 percent from more than 50 percent, analysts said.

While Procter & Gamble's market shares have pulled back over the past two years, the gains have been costly in marketing and advertising expenses, analysts said.

"Early problems are beginning to crop up that could make management begin to accelerate marketing expenses and in turn lead to a lower rate of profit gain in the next few fiscal years," Jack Salzman of Goldman, Sachs & Co. said in a recent report.

State-Owned GAN Profit Nearly Doubled in 1986

Reuters

PARIS — Groupe des Assurances Nationales said Monday that consolidated net profit nearly doubled to 1.38 billion francs (\$219 million) in calendar 1986 from 701 million in 1985.

GAN, the third largest French insurer on the basis of premium income, is 87 percent state-owned. Banking sources say the company is a candidate for privatization. The group holds a 34 percent stake in the Compagnie Financière de Crédit Industriel & Commercial banking group.

U.S. \$500,000,000 National Westminster Bank PLC

(Incorporated in England with limited liability)

Primary Capital FRNs (Series "B")

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from August 11, 1987 to February 11, 1988 the Notes will carry an interest rate of 7 1/4% per annum. The interest payable on the relevant interest payment date, February 11, 1988 against Coupon No. 6 will be U.S. \$3,833.33 and U.S. \$383.33 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$10,000.

By: The Chase Manhattan Bank, N.A. London, Agent Bank

August 11, 1987

FOREIGN & COLONIAL RESERVE ASSET FUND

	PRICE AT \$10
A: U.S. DOLLAR "CASH"	\$10.87
B: MULTICURRENCY "CASH"	\$13.67
C: DOLLAR BONDS	\$12.67
D: MULTICURRENCY BONDS	\$15.94
E: STERLING BONDS	\$11.73
F: DEUTSCHMARK BONDS	\$10.16
G: YEN BONDS	\$10.07
H: ECU BONDS	\$10.01
I: STERLING EQUITY	\$13.15
M: U.S. EQUITIES	\$14.99
N: JAPANESE EQUITIES	\$11.96
O: GLOBAL EQUITIES	\$12.56
X: STERLING "CASH"	\$10.29
Z: GOLD	\$12.10

FOREIGN & COLONIAL MANAGEMENT (ISSUES) LIMITED
14 MULCASTER STREET, LONDON, E1 6JG
TELE: 0202 671111 FAX: 0202 671112
FOR OTHER F & C FUNDS, SEE INTERNATIONAL FUNDS LIST



OIL & MONEY THE CHALLENGE OF THE 1990's THE EIGHTH ANNUAL INTERNATIONAL HERALD TRIBUNE/OIL DAILY CONFERENCE, LONDON OCTOBER 22-23, 1987

THE program is designed to assist senior executives in the petroleum industry and related fields to determine their business strategies into the 1990's. The Honorable John S. Harrington, Secretary of Energy, United States, H.E. Abd al-Hadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt, H.E. Rikwan Luqman, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference, H.E. Arne Olen, Minister of Petroleum and Energy, Norway and The Rt. Hon. Cecil Parkinson M.P., Secretary of State for Energy, United Kingdom will head a distinguished group of energy and financial leaders from around the world.

Senior Executives wishing to attend the conference should complete and mail the registration form today.

OCTOBER 22

UNITED STATES ENERGY POLICY

The Honorable John S. Harrington, Secretary of Energy, United States

CHALLENGE OF THE 1990's: A CORPORATE VIEW

John R. Hall, Chairman and Chief Executive Officer, Ashland Oil Inc.

Philip Odey, Chairman, Tennessee Europe Ltd.

Nader Seifritz, President, Kowalek Berghelm International Ltd.

GLOBAL DEMAND AND SUPPLY: AN OVERVIEW

John H. Liebhaf, President, Petroleum Industry Research Foundation.

International Energy Agency

H.E. The Minister of Petroleum and Minerals of the Sultanate of Oman

BREAKOUT GROUPS (These three sessions will run concurrently)

NORTH AMERICAN MARKET

Theodore R. Bell, Chief Economist, Amoco Corporation

Milton Lipton, President, W.L. Levy Consultants Corporation

THE EUROPEAN OUTLOOK

Giuseppe Stigliano, Executive Vice-President, AGIP SpA

David White, Managing Director, Petroleum Economics Ltd.

THE PACIFIC OUTLOOK

Dennis J. O'Brien, Chief Economist, CALTEX Petroleum Corporation

LUNCH

THE OUTLOOK FOR THE UNITED KINGDOM'S PETROLEUM INDUSTRY

The Rt. Hon. Cecil Parkinson M.P., Secretary of State for Energy, United Kingdom

MARKET FORCES IN CHARGE OF SUPPLY MANAGEMENT

John Dumas, Chairman, Transworld Oil Ltd.

ENERGY SECURITY AND THE MIDDLE EAST

GEOPOLITICAL OUTLOOK

Charles DiBona, President, The American Petroleum Institute

George Quincey Lusenden, Director, Oil Market Development, International Energy Agency

Mehdi Varzi, Senior Analyst, Kleinwort Grenson & Co.

Moderator: Robert Mabro, Director, Oxford Institute for Energy Studies.

OCTOBER 23

MINISTERIAL PRESENTATIONS AND DISCUSSIONS

H.E. Rikwan Luqman, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference

H.E. Arne Olen, Minister of Petroleum and Energy, Norway

H.E. Abd al-Hadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt

Moderator: Herman T. Franssen, Economic Advisor of H.E. The Minister of Petroleum and Mineral Resources of the Sultanate of Oman

THE WORLD ECONOMY: RETURN TO NORMAL GROWTH?

Stephen Morris, Senior Fellow, Institute for International Economics, former Chief Economist, O.E.C.D.

Respondent: Timothy Congdon, Chief U.K. Economist, Shearson Lehman Brothers

BREAKOUT GROUPS (These three sessions will run concurrently)

FINANCING EXPLORATION AND DEVELOPMENT

Jean Claude Balazac, Director General, Institut Français du Pétrole

David Parker, Manager, Project Finance Unit, National Westminster Bank

THE FINANCIAL HEALTH AND PROFIT PROSPECTS OF THE OIL INDUSTRY

Dillard Springs, President, Petroleum Analysis Ltd.

CHINA: PROSPECTS FOR OIL DEVELOPMENT

Rita Woodward, President, China Energy Ventures

LUNCH

FINANCIAL STRATEGIES FOR THE OIL INDUSTRY: NEW INSTRUMENTS AND MARKETS

Rodney F. Chase, Group Treasurer, B.F. Finance International

R. Harwell Cardwell, Treasurer, Mobil Oil Corporation

Robert B. Weaver, Senior Vice-President, Global Energy Executive, The Chase Manhattan Bank, N.A.

IMPROVING PANEL DISCUSSION

Moderator: Nicholas G. Votie, Oil Consultant, London and The Hague



This is the official carrier for the conference and is offering a special service for all delegates travelling from the United States. For further details please call Barbara

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

3		4	
100	100	100	100
101	101	101	101
102	102	102	102
103	103	103	103
104	104	104	104
105	105	105	105
106	106	106	106
107	107	107	107
108	108	108	108
109	109	109	109
110	110	110	110
111	111	111	111
112	112	112	112
113	113	113	113
114	114	114	114
115	115	115	115
116	116	116	116
117	117	117	117
118	118	118	118
119	119	119	119
120	120	120	120
121	121	121	121
122	122	122	122
123	123	123	123
124	124	124	124
125	125	125	125
126	126	126	126
127	127	127	127
128	128	128	128
129	129	129	129
130	130	130	130
131	131	131	131
132	132	132	132
133	133	133	133
134	134	134	134
135	135	135	135
136	136	136	136
137	137	137	137
138	138	138	138
139	139	139	139
140	140	140	140
141	141	141	141
142	142	142	142
143	143	143	143
144	144	144	144
145	145	145	145
146	146	146	146
147	147	147	147
148	148	148	148
149	149	149	149
150	150	150	150
151	151	151	151
152	152	152	152
153	153	153	153
154	154	154	154
155	155	155	155
156	156	156	156
157	157	157	157
158	158	158	158
159	159	159	159
160	160	160	160
161	161	161	161
162	162	162	162
163	163	163	163
164	164	164	164
165	165	165	165
166	166	166	166
167	167	167	167
168	168	168	168
169	169	169	169
170	170	170	170
171	171	171	171
172	172	172	172
173	173	173	173
174	174	174	174
175	175	175	175
176	176	176	176
177	177	177	177
178	178	178	178
179	179	179	179
180	180	180	180
181	181	181	181
182	182	182	182
183	183	183	183
184	184	184	184
185	185	185	185
186	186	186	186
187	187	187	187
188	188	188	188
189	189	189	189
190	190	190	190
191	191	191	191
192	192	192	192
193	193	193	193
194			

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.

INTERNATIONAL INCOME FUND	G.T. MANAGEMENT (UK) LTD.	(d) Swissvale New Series	31
---------------------------	---------------------------	--------------------------	----

[illegible][illegible]

4th 3th LaPitt 17 12 4

Floating-Rate

Aug. 10.

Dollars

Percent

Basis

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

Bid

Ask

10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

[illegible][illegible][illegible]

Common Hest. 80% Asia	
7/24	10.00
7/25	10.00
7/26	10.00
7/27	10.00
7/28	10.00
7/29	10.00
7/30	10.00
7/31	10.00
7/32	10.00
7/33	10.00
7/34	10.00
7/35	10.00
7/36	10.00
7/37	10.00
7/38	10.00
7/39	10.00
7/40	10.00
7/41	10.00
7/42	10.00
7/43	10.00
7/44	10.00
7/45	10.00
7/46	10.00
7/47	10.00
7/48	10.00
7/49	10.00
7/50	10.00
7/51	10.00
7/52	10.00
7/53	10.00
7/54	10.00
7/55	10.00
7/56	10.00
7/57	10.00
7/58	10.00
7/59	10.00
7/60	10.00
7/61	10.00
7/62	10.00
7/63	10.00
7/64	10.00
7/65	10.00
7/66	10.00
7/67	10.00
7/68	10.00
7/69	10.00
7/70	10.00
7/71	10.00
7/72	10.00
7/73	10.00
7/74	10.00
7/75	10.00
7/76	10.00
7/77	10.00
7/78	10.00
7/79	10.00
7/80	10.00
7/81	10.00
7/82	10.00
7/83	10.00
7/84	10.00
7/85	10.00
7/86	10.00
7/87	10.00
7/88	10.00
7/89	10.00
7/90	10.00
7/91	10.00
7/92	10.00
7/93	10.00
7/94	10.00
7/95	10.00
7/96	10.00
7/97	10.00
7/98	10.00
7/99	10.00
7/100	10.00

Pounds Sterling	
7/24	10.00
7/25	10.00
7/26	10.00
7/27	10.00
7/28	10.00
7/29	10.00
7/30	10.00
7/31	10.00
7/32	10.00
7/33	10.00
7/34	10.00
7/35	10.00
7/36	10.00
7/37	10.00
7/38	10.00
7/39	10.00
7/40	10.00
7/41	10.00
7/42	10.00
7/43	10.00
7/44	10.00
7/45	10.00
7/46	10.00
7/47	10.00
7/48	10.00
7/49	10.00
7/50	10.00
7/51	10.00
7/52	10.00
7/53	10.00
7/54	10.00
7/55	10.00
7/56	10.00
7/57	10.00
7/58	10.00
7/59	10.00
7/60	10.00
7/61	10.00
7/62	10.00
7/63	10.00
7/64	10.00
7/65	10.00
7/66	10.00
7/67	10.00
7/68	10.00
7/69	10.00
7/70	10.00
7/71	10.00
7/72	10.00
7/73	10.00
7/74	10.00
7/75	10.00
7/76	10.00
7/77	10.00
7/78	10.00
7/79	10.00
7/80	10.00
7/81	10.00
7/82	10.00
7/83	10.00
7/84	10.00
7/85	10.00
7/86	10.00
7/87	10.00
7/88	10.00
7/89	10.00
7/90	10.00
7/91	10.00
7/92	10.00
7/93	10.00
7/94	10.00
7/95	10.00
7/96	10.00
7/97	10.00
7/98	10.00
7/99	10.00
7/100	10.00

Common Hest	
7/24	10.00
7/25	10.00
7/26	10.00
7/27	10.00
7/28	10.00
7/29	10.00
7/30	10.00
7/31	10.00
7/32	10.00
7/33	10.00
7/34	10.00
7/35	10.00
7/36	10.00
7/37	10.00
7/38	10.00
7/39	10.00
7/40	10.00
7/41	10.00
7/42	10.00
7/43	10.00
7/44	10.00
7/45	10.00
7/46	10.00
7/47	10.00
7/48	10.00
7/49	10.00
7/50	10.00
7/51	10.00
7/52	10.00
7/53	10.00
7/54	10.00
7/55	10.00
7/56	10.00
7/57	10.00
7/58	10.00
7/59	10.00
7/60	10.00
7/61	10.00
7/62	10.00
7/63	10.00
7/64	10.00
7/65	10.00
7/66	10.00
7/67	10.00
7/68	10.00
7/69	10.00
7/70	10.00
7/71	10.00
7/72	10.00
7/73	10.00
7/74	10.00
7/75	10.00
7/76	10.00
7/77	10.00
7/78	10.00
7/79	10.00
7/80	10.00
7/81	10.00
7/82	10.00
7/83	10.00
7/84	10.00
7/85	10.00
7/86	10.00
7/87	10.00
7/88	10.00
7/89	10.00
7/90	10.00
7/91	10.00
7/92	10.00
7/93	10.00
7/94	10.00
7/95	10.00
7/96	10.00
7/97	10.00
7/98	10.00
7/99	10.00
7/100	10.00

Japanese Yen	
7/24	10.00
7/25	10.00
7/26	10.00
7/27	10.00
7/28	10.00
7/29	10.00
7/30	10.00
7/31	10.00
7/32	10.00
7/33	10.00
7/34	10.00
7/35	10.00
7/36	10.00
7/37	10.00
7/38	10.00
7/39	10.00
7/40	10.00
7/41	10.00
7/42	10.00
7/43	10.00
7/44	10.00
7/45	10.00
7/46	10.00
7/47	10.00
7/48	10.00
7/49	10.00
7/50	10.00
7/51	10.00
7/52	10.00
7/53	10.00
7/54	10.00
7/55	10.00
7/56	10.00
7/57	10.00
7/58	10.00
7/59	10.00
7/60	10.00
7/61	10.00
7/62	10.00
7/63	10.00
7/64	10.00
7/65	10.00
7/66	10.00
7/67	10.00
7/68	10.00
7/69	10.00
7/70	10.00
7/71	10.00
7/72	10.00
7/73	10.00
7/74	10.00
7/75	10.00
7/76	10.00
7/77	10.00
7/78	10.00
7/79	10.00
7/80	10.00
7/81	10.00
7/82	10.00
7/83	10.00
7/84	10.00
7/85	10.00
7/86	10.00
7/87	10.00
7/88	10.00
7/89	10.00
7/90	10.00
7/91	10.00
7/92	10.00
7/93	10.00
7/94	10.00
7/95	10.00
7/96	10.00
7/97	10.00
7/98	10.00
7/99	10.00
7/100	10.00

E.C.U.	
7/24	10.00
7/25	10.00
7/26	10.00
7/27	10.00
7/28	10.00
7/29	10.00
7/30	10.00
7/31	10.00
7/32	10.00
7/33	10.00
7/34	10.00
7/35	10.00
7/36	10.00
7/37	10.00
7/38	10.00
7/39	10.00
7/40	10.00
7/41	10.00
7/42	10.00
7/43	10.00
7/44	10.00
7/45	10.00
7/46	10.00
7/47	10.00
7/48	10.00
7/49	10.00
7/50	10.00
7/51	10.00
7/52	10.00
7/53	10.00
7/54	10.00
7/55	10.00
7/56	10.00
7/57	10.00
7/58	10.00
7/59	10.00
7/60	10.00
7/61	10.00
7/62	10.00
7/63	10.00
7/64	10.00
7/65	10.00
7/66	10.00
7/67	10.00
7/68	10.00
7/69	10.00
7/70	10.00
7/71	10.00
7/72	10.00
7/73	10.00
7/74	10.00
7/75	10.00
7/76	10.00
7/77	10.00
7/78	10.00
7/79	10.00
7/80	10.00
7/81	10.00
7/82	10.00
7/83	10.00
7/84	10.00
7/85	10.00
7/86	10.00
7/87	10.00
7/88	10.00
7/89	10.00
7/90	10.00
7/91	10.00
7/92	10.00
7/93	10.00
7/94	10.00
7/95	10.00
7/96	10.00
7/97	10.00
7/98	10.00
7/99	10.00
7/100	10.00

**Satur
days**
in the Trib.

**Get
Friday's
Closing
Prices.**

Floating-Rate Notes

[illegible]

AS - Australian Dollars; BF - Belgium Francs; CB - Canadian Dollars; CH - Swiss Francs; D - Deutsch Marks; £ - Pounds Sterling; F - French Francs; G - Guilders; H - Hong Kong Dollars; I - Italian Lira; J - Japanese Yen; K - Krona; L - Luxembourg Francs; M - Marks; N - New Zealand Dollars; O - Ounces; P - Portuguese Escudo; Q - Quetzales; R - Rands; S - Swiss Francs; T - Taka; U - U.S. Dollars; V - Vietnamese Dong; W - West German Marks; X - Xtra; Y - Yen; Z - Zloty; AA - American Dollars; AB - Australian Dollars; AC - Canadian Dollars; AD - Danish Krona; AE - Egyptian Pound; AF - Finnish Markka; AG - Greek Drachma; AH - Hungarian Forint; AI - Israeli Sheqel; AJ - Japanese Yen; AK - Korean Won; AL - Algerian Dinar; AM - Armenian Dram; AN - Argentine Peso; AO - Angolan Kwanza; AP - Australian Dollar; AQ - Azerbaijani Manat; AR - Argentine Peso; AS - Australian Dollar; AT - Austrian Schilling; AU - Australian Dollar; AV - Azerbaijani Manat; AW - Aruban Florin; AX - Danish Krona; AY - Azerbaijani Manat; AZ - Azerbaijani Manat; BA - Bosnian Dinar; BB - Barbadian Dollar; BC - Belizean Dollar; BD - Bangladeshi Taka; BE - Belgian Franc; BF - Burmese Kyat; BG - Bulgarian Lev; BH - Bahraini Dinar; BI - Burundian Franc; BJ - Beninese CFA Franc; BK - Bulgarian Lev; BL - Bosnian Dinar; BM - Bermudian Dollar; BN - Brunei Dollar; BO - Bolivian Boliviano; BP - Botswana Pula; BQ - Bonaire Dollar; BR - Brazilian Real; BS - Bahamian Dollar; BT - Bhutanese Ngultrum; BU - Bulgarian Lev; BV - Bolivian Boliviano; BW - Botswana Pula; BX - Bulgarian Lev; BY - Belarusian Ruble; BZ - Belizean Dollar; CA - Canadian Dollar; CB - Cambodian Riel; CC - Cypriot Pound; CD - Congolese Franc; CE - Czech Koruna; CF - CFA Franc; CG - Congolese Franc; CH - Swiss Franc; CI - Cote d'Ivoire CFA Franc; CK - Danish Krona; CL - Chilean Peso; CM - Cameroonian CFA Franc; CN - Chinese Yuan; CO - Colombian Peso; CP - Costa Rican Colon; CR - Costa Rican Colon; CS - Czech Koruna; CT - Cypriot Pound; CU - Cuban Peso; CV - Cape Verdean Escudo; CW - Cypriot Pound; CX - Canadian Dollar; CY - Cypriot Pound; CZ - Czech Koruna; DA - Danish Krona; DB - Dominican Peso; DC - Danish Krona; DD - Danish Krona; DE - German Mark; DF - Danish Krona; DG - Danish Krona; DH - Danish Krona; DI - Danish Krona; DJ - Djiboutian Franc; DK - Danish Krona; DL - Danish Krona; DM - Danish Krona; DN - Danish Krona; DO - Dominican Peso; DP - Danish Krona; DQ - Danish Krona; DR - Dominican Peso; DS - Danish Krona; DT - Danish Krona; DU - Danish Krona; DV - Danish Krona; DW - Danish Krona; DX - Danish Krona; DY - Danish Krona; DZ - Algerian Dinar; EA - Danish Krona; EB - Danish Krona; EC - Ecuadorian Dollar; ED - Danish Krona; EE - Estonian Kroon; EF - Danish Krona; EG - Egyptian Pound; EH - Danish Krona; EI - Danish Krona; EJ - Danish Krona; EK - Danish Krona; EL - Greek Drachma; EM - Danish Krona; EN - Danish Krona; EO - Danish Krona; EP - Danish Krona; EQ - Danish Krona; ER - Eritrean Nakfa; ES - Spanish Peseta; ET - Ethiopian Birr; EU - Euro; EV - Danish Krona; EW - Danish Krona; EX - Danish Krona; EY - Danish Krona; EZ - Euro; FA - Danish Krona; FB - Danish Krona; FC - Danish Krona; FD - Danish Krona; FE - Danish Krona; FF - Danish Krona; FG - Danish Krona; FH - Danish Krona; FI - Finnish Markka; FJ - Fijian Dollar; FK - Danish Krona; FL - Danish Krona; FM - Micronesian Dollar; FN - Danish Krona; FO - Danish Krona; FP - Danish Krona; FQ - Danish Krona; FR - French Franc; FS - Danish Krona; FT - Danish Krona; FU - Danish Krona; FV - Danish Krona; FW - Danish Krona; FX - Danish Krona; FY - Danish Krona; FZ - Danish Krona; GA - Gabonese Franc; GB - British Pound; GC - Danish Krona; GD - Grenadian Dollar; GE - Georgian Lari; GF - Guianese Franc; GG - Danish Krona; GH - Ghanaian Cedi; GI - Gibraltar Pound; GJ - Danish Krona; GK - Danish Krona; GL - Greenlandic Krona; GM - Gambian Dinar; GN - Guinean Franc; GO - Danish Krona; GP - Guianese Franc; GQ - Guinean Franc; GR - Greek Drachma; GS - South Georgia Pound; GT - Guatemalan Quetzal; GU - Guianese Franc; GV - Danish Krona; GW - Guinean Franc; GX - Danish Krona; GY - Guyanese Dollar; HZ - Hungarian Forint; HA - Danish Krona; HB - Danish Krona; HC - Danish Krona; HD - Danish Krona; HE - Danish Krona; HF - Danish Krona; HG - Danish Krona; HH - Danish Krona; HI - Danish Krona; HJ - Danish Krona; HK - Hong Kong Dollar; HL - Danish Krona; HM - Danish Krona; HN - Honduran Lempira; HO - Danish Krona; HP - Danish Krona; HQ - Danish Krona; HR - Croatian Dinar; HS - Danish Krona; HT - Haitian Gourde; HU - Hungarian Forint; HV - Danish Krona; HW - Danish Krona; HX - Danish Krona; HY - Danish Krona; HZ - Hungarian Forint; IA - Danish Krona; IB - Danish Krona; IC - Danish Krona; ID - Indonesian Rupiah; IE - Irish Punt; IF - Danish Krona; IG - Danish Krona; IH - Danish Krona; II - Danish Krona; IJ - Danish Krona; IK - Danish Krona; IL - Israeli Sheqel; IM - Danish Krona; IN - Indian Rupee; IO - Danish Krona; IP - Danish Krona; IQ - Iraqi Dinar; IR - Iranian Rial; IS - Icelandic Krona; IT - Italian Lira; IU - Danish Krona; IV - Ivorian CFA Franc; IW - Danish Krona; IX - Danish Krona; IY - Ivorian CFA Franc; IZ - Israeli Sheqel; JA - Japanese Yen; JB - Danish Krona; JC - Danish Krona; JD - Jordanian Dinar; JE - Danish Krona; JF - Danish Krona; JG - Danish Krona; JH - Danish Krona; JI - Danish Krona; JJ - Danish Krona; JK - Danish Krona; JL - Danish Krona; JM - Jamaican Dollar; JN - Danish Krona; JO - Jordanian Dinar; JP - Japanese Yen; JQ - Danish Krona; JR - Japanese Yen; JS - Japanese Yen; JT - Japanese Yen; JU - Japanese Yen; JV - Japanese Yen; JW - Japanese Yen; JX - Japanese Yen; JY - Japanese Yen; JZ - Japanese Yen; KA - Danish Krona; KB - Danish Krona; KC - Danish Krona; KD - Danish Krona; KE - Danish Krona; KF - Danish Krona; KG - Danish Krona; KH - Cambodian Riel; KI - Danish Krona; KJ - Danish Krona; KK - Danish Krona; KL - Danish Krona; KM - Comorian Franc; KN - Danish Krona; KO - Danish Krona; KP - Danish Krona; KQ - Danish Krona; KR - Korean Won; KS - Danish Krona; KT - Danish Krona; KU - Kuwaiti Dinar; KV - Danish Krona; KW - Kuwaiti Dinar; KY - Caymanian Dollar; KZ - Kazakhstani Tenge; LA - Lao Kip; LB - Lebanese Lira; LC - Liberian Dollar; LD - Danish Krona; LE - Danish Krona; LF - Danish Krona; LG - Danish Krona; LH - Danish Krona; LI - Lithuanian Litas; LJ - Danish Krona; LK - Sri Lankan Rupee; LL - Danish Krona; LM - Danish Krona; LN - Danish Krona; LO - Lao Kip; LP - Danish Krona; LQ - Danish Krona; LR - Liberian Dollar; LS - Lesotho Pula; LT - Lithuanian Litas; LU - Luxembourg Franc; LV - Latvian Lats; LW - Danish Krona; LX - Danish Krona; LY - Libyan Dinar; LZ - Lao Kip; MA - Moroccan Dirham; MB - Danish Krona; MC - Danish Krona; MD - Moldovan Leu; ME - Montenegrin Dinar; MF - Danish Krona; MG - Malagasy Arianary; MH - Marshallian Dollar; MI - Danish Krona; MJ - Danish Krona; MK - Macedonian Denar; ML - Malagasy Arianary; MM - Burmese Kyat; MN - Mongolian Tugrik; MO - Macanese Pataca; MP - Northern Marianan Dollar; MQ - Danish Krona; MR - Mauritanian Ouguiya; MS - Maldivian Rufiyaa; MT - Maltese Lira; MU - Mauritian Rupee; MV - Maldivian Rufiyaa; MW - Malawian Kwacha; MX - Mexican Peso; MY - Malaysian Ringgit; MZ - Mozambican Escudo; NA - Namibian Dollar; NB - Danish Krona; NC - Danish Krona; ND - Danish Krona; NE - Nigerian Naira; NF - Danish Krona; NG - Nigerian Naira; NH - Danish Krona; NI - Nicaraguan Cordoba; NJ - Danish Krona; NK - North Korean Won; NL - Dutch Guilder; NM - Danish Krona; NN - Danish Krona; NO - Norwegian Krone; NP - Nepalese Rupee; NQ - Danish Krona; NR - Nauruan Dollar; NS - Danish Krona; NT - Danish Krona; NU - Niuean Dollar; NV - Danish Krona; NW - Danish Krona; NX - Danish Krona; NY - New York Dollar; NZ - New Zealand Dollar; OA - Danish Krona; OB - Danish Krona; OC - Danish Krona; OD - Danish Krona; OE - Danish Krona; OF - Danish Krona; OG - Danish Krona; OH - Danish Krona; OI - Danish Krona; OJ - Danish Krona; OK - Danish Krona; OL - Danish Krona; OM - Omani Rial; ON - Danish Krona; OO - Danish Krona; OP - Danish Krona; OQ - Danish Krona; OR - Danish Krona; OS - Danish Krona; OT - Danish Krona; OU - Danish Krona; OV - Danish Krona; OW - Danish Krona; OX - Danish Krona; OY - Danish Krona; OZ - Omani Rial; PA - Panamanian Balboa; PB - Danish Krona; PC - Danish Krona; PD - Danish Krona; PE - Peruvian Sol; PF - Danish Krona; PG - Papua New Guinean Kina; PH - Philippine Peso; PI - Danish Krona; PJ - Danish Krona; PK - Pakistani Rupee; PL - Polish Zloty; PM - Danish Krona; PN - Danish Krona; PO - Danish Krona; PP - Danish Krona; PQ - Danish Krona; PR - Puerto Rican Dollar; PS - Palestinian Sheqel; PT - Portuguese Escudo; PU - Danish Krona; PV - Danish Krona; PW - Palauan Dollar; PY - Paraguayan Guaraní; QZ - Qatari Riyal; RA - Danish Krona; RB - Danish Krona; RC - Danish Krona; RD - Danish Krona; RE - Danish Krona; RF - Danish Krona; RG - Danish Krona; RH - Danish Krona; RI - Danish Krona; RJ - Danish Krona; RK - Danish Krona; RL - Danish Krona; RM - Danish Krona; RN - Danish Krona; RO - Romanian Leu; RP - Danish Krona; RS - Serbian Dinar; RT - Danish Krona; RU - Russian Ruble; RV - Danish Krona; RW - Rwandan Franc; RX - Danish Krona; RY - Danish Krona; RZ - Russian Ruble; SA - Saudi Riyal; SB - Danish Krona; SC - Danish Krona; SD - Sudanese Pound; SE - Swedish Krona; SF - Danish Krona; SG - Singapore Dollar; SH - Danish Krona; SI - Slovenian Tolar; SJ - Danish Krona; SK - Danish Krona; SL - Danish Krona; SM - San Marinese Lira; SN - Senegalese CFA Franc; SO - Danish Krona; SP - Spanish Peseta; SQ - Danish Krona; SR - Surinamese Dollar; SS - South Sudanese Pound; ST - Sao Tomean Escudo; SU - Danish Krona; SV - Salvadoran Colon; SW - Swazi Lilangeni; SX - Danish Krona; SY - Syrian Pound; SZ - Swazi Lilangeni; TA - Danish Krona; TB - Danish Krona; TC - Danish Krona; TD - Danish Krona; TE - Danish Krona; TF - Danish Krona; TG - Togolese CFA Franc; TH - Thai Baht; TI - Danish Krona; TJ - Tajikistani Somoni; TK - Danish Krona; TL - Turkish Lira; TM - Danish Krona; TN - Tunisian Dinar; TO - Tongan Paanga; TP - Danish Krona; TR - Turkish Lira; TS - Danish Krona; TT - Trinidadian Dollar; TU - Danish Krona; TV - Tuvaluan Dollar; TW - New Taiwan Dollar; TX - Danish Krona; TY - Danish Krona; TZ - Tanzanian Shilling; UA - Ukrainian Hryvnia; UB - Danish Krona; UC - Danish Krona; UD - Danish Krona; UE - Danish Krona; UF - Danish Krona; UG - Ugandan Shilling; UH - Danish Krona; UI - Danish Krona; UJ - Danish Krona; UK - United Kingdom Pound; UL - Danish Krona; UM - Danish Krona; UN - Danish Krona; UO - Danish Krona; UP - Danish Krona; UQ - Danish Krona; UR - Danish Krona; US - United States Dollar; UT - Danish Krona; UV - Danish Krona; UW - Danish Krona; UX - Danish Krona; UY - Uruguayan Peso; UZ - Uzbekistani Som; VA - Danish Krona; VB - Danish Krona; VC - Danish Krona; VD - Danish Krona; VE - Danish Krona; VF - Danish Krona; VG - Virginian Dollar; VH - Danish Krona; VI - Vietnamese Dong; VJ - Danish Krona; VK - Danish Krona; VL - Danish Krona; VM - Vietnamese Dong; VN - Vietnamese Dong; VO - Danish Krona; VP - Vietnamese Dong; VQ - Vietnamese Dong; VR - Vietnamese Dong; VS - Vietnamese Dong; VT - Vietnamese Dong; VU - Vanuatu Dollar; VV - Vietnamese Dong; VW - Vietnamese Dong; VX - Vietnamese Dong; VY - Vietnamese Dong; VZ - Vietnamese Dong; WA - Danish Krona; WB - Danish Krona; WC - Danish Krona; WD - Danish Krona; WE - Danish Krona; WF - Danish Krona; WG - Danish Krona; WH - Danish Krona; WI - Danish Krona; WJ - Danish Krona; WK - Danish Krona; WL - Danish Krona; WM - Danish Krona; WN - Danish Krona; WO - Danish Krona; WP - Danish Krona; WQ - Danish Krona; WR - Danish Krona; WS - Samoan Tala; WT - Danish Krona; WU - Danish Krona; WX - Danish Krona; WY - Danish Krona; WZ - Danish Krona; XA - Danish Krona; XB - Danish Krona; XC - Danish Krona; XD - Danish Krona; XE - Danish Krona; XF - Danish Krona; XG - Danish Krona; XH - Danish Krona; XI - Danish Krona; XJ - Danish Krona; XK - Danish Krona; XL - Danish Krona; XM - Danish Krona; XN - Danish Krona; XO - Danish Krona; XP - Danish Krona; XQ - Danish Krona; XR - Danish Krona; XS - Danish Krona; XT - Danish Krona; XU - Danish Krona; XV - Danish Krona; XW - Danish Krona; XX - Danish Krona; XY - Danish Krona; XZ - Danish Krona; YA - Danish Krona; YB - Danish Krona; YC - Danish Krona; YD - Danish Krona; YE - Danish Krona; YF - Danish Krona; YG - Danish Krona; YH - Danish Krona; YI - Danish Krona; YJ - Danish Krona; YK - Danish Krona; YL - Danish Krona; YM - Danish Krona; YN - Danish Krona; YO - Danish Krona; YP - Danish Krona; YQ - Danish Krona; YR - Danish Krona; YS - Danish Krona; YT - Danish Krona; YU - Yugoslav Dinar; YV - Danish Krona; YW - Danish Krona; YX - Danish Krona; YY - Danish Krona; YZ - Danish Krona; ZA - South African Rand; ZB - Danish Krona; ZC - Danish Krona; ZD - Danish Krona; ZE - Danish Krona; ZF - Danish Krona; ZG - Danish Krona

Be sure that your fund is listed in this space daily. Telex Matthew Green at 676076 for further information.

مكر من الأصل



